

PRECIOUS TRADING AND INVESTMENTS LIMITED

CIN - L51900MH1983PLC029176

Registered Office: Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road,
Vile Parle (East), Mumbai – 400 057, Maharashtra
Tel – 022 -42602400, Fax - 022-429333533,
Website: www.ptil.co.in, Email: cs@ptil.co.in

NOTICE OF TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day : Saturday
Date : August 29, 2020
Time : 10.30 a.m.
Venue : 3 rd Floor, , Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (E), Mumbai 400057.

POSTAL BALLOT AND E-VOTING

Commencing on	Thursday, July 30, 2020 at 9.00 A.M.
Ending on	Friday, August 28, 2020 at 5.00 P.M.

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In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 along with other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Merger between Precious Trading And Investments Limited (“the Transferor Company”) and Sheth Developers Private Limited (“the Transferee Company”) and their respective Shareholders

Precious Trading And Investments Limited, a)
company incorporated under the provisions)
of the Companies Act, 1956 and having its)
registered office at Ground and Third Floor,)
Prius Infinity, Paranjape B Scheme, Subhash)
Road, Vile Parle(East) Mumbai – 400 057.) Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF PRECIOUS TRADING AND INVESTMENTS LIMITED, THE APPLICANT COMPANY

To,

The Equity Shareholder(s) of Precious Trading And Investments Limited

(“the Applicant Company” or “the Company” or “the Transferor Company” or “PTIL”)

Notice is hereby given that by an order dated July 14, 2020, in the abovementioned Company Application No.CA(CAA)1017/MB of 2020 (Order), the Special Bench, Mumbai of the National Company Law Tribunal (“Tribunal”) has directed a meeting to be held of the Equity Shareholders of the Company, for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Merger between Precious Trading and Investments Limited (“the Transferor Company”) and Sheth Developers Private Limited (“the Transferee Company”) and their respective shareholders(“Scheme”).

In pursuance of the Order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the Applicant Company will be held to transact the following special business at 3rd Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai 400057 on Saturday, August 29, 2020 at 10.30 a.m.(Meeting) at which time and place, the Equity Shareholders of the Transferor Company are requested to attend, to consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force)(“**Companies Act**”) and enabling provisions in the Memorandum and Articles of Association of the Company and subject to the approval by the requisite majority of the shareholders of the Company, and as directed by the Hon’ble National Company Law Tribunal, and further subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, a Scheme of Merger between the Company and Sheth Developers Private Limited and their respective shareholders (“**Scheme**”), as attached to the notice, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble National Company Law Tribunal, Mumbai Bench and/or any other authority(ies) while sanctioning the arrangements embodied in the Scheme or by any other authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

An explanatory Statement under Section 230(3) read with Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with copy of the Scheme and other annexures including Proxy Form, Attendance Slip and Postal Ballot Form are enclosed herewith. Copies of the Scheme and statement under Section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Company.

The Tribunal has appointed Mr. Sharad Doshi, Independent Director and failing him Mr. Yogesh Bafna, Additional Director of the Transferor Company as the Chairman of the Meeting, including for any adjournment(s) thereof. The Scheme, if approved at the meeting, will be subject to the subsequent approval of the Tribunal.

Persons entitled to attend and vote at the said meeting, may vote in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Company at Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East), Mumbai – 400 057, not later than 48 hours before the meeting. Forms of proxy can be delivered at the registered office of the Applicant Company.

In accordance with the applicable regulatory provisions, as an alternative to casting of votes on Poll at the meeting, the Company has provided the Equity Shareholders with the facility for casting their votes either by way of Postal Ballot or by way of remote e-voting using facility (prior to the Meeting) offered by M/s. Bigshare Services Private Limited (“Bigshare”). The voting rights of Equity Shareholders shall be in proportion to their Equity Shareholding in the Company as on the Cut-off date of close of business on Friday, July 24, 2020. The shareholders may refer to Notes to this notice for further details on Postal Ballot and remote E-voting.

It is clarified that casting of votes by postal ballot or remote e-voting does not disentitle a Shareholder as on the Cut-off date of July 24, 2020 from attending the Meeting. It is further clarified that the Proxies can only vote on Poll at the meeting and not through any other mode.

Sharad N. Doshi
Chairman appointed for the meeting

Place: Mumbai

Date: July 17, 2020

Registered Office:

Precious Trading And Investments Limited,
Ground and Third Floor, Prius Infinity,
Paranjape B Scheme, Subhash Road,
Vile Parle(East) Mumbai – 400057

CIN - L51900MH1983PLC029176

Email: cs@ptil.co.in

Website: www.ptil.co.in

Notes:

- (1) This Notice is being sent to the Equity Shareholders whose name appear in the Register of Members / Record of Depositories as at the close of business on July 17, 2020 by email to the Shareholders whose email address is registered with the Company/ Depository Participants(s) for communication and in physical mode to other shareholders at their registered address. This Notice may also be accessed on Company’s Website at www.ptil.co.in
- (2) An Equity Shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The Proxy Form duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and / or holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- (3) Only registered equity shareholders of the Company may attend and vote (either in person or by proxy or by authorised representative under Section 112 and 113 of the Companies Act, 2013) at the Equity Shareholder’s meeting. The authorised representative of a body corporate which is a registered equity shareholder of the

Company may attend and vote at the Meeting, provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate is deposited at the registered office of the Company not later than 48 hours before the Meeting authorising such representative to attend and vote at the Meeting.

- (4) Foreign Institutional Investors (FIIs) who are registered equity shareholders of the Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the Meeting on its behalf. These documents must be deposited at the Registered Office of the Company not later than 48 hours before the Meeting.
- (5) Registered equity shareholders are informed that in case of joint holders attending the Meeting, only such joint holder whose name stands first in the Register of Members of the Company in respect of such joint holding will be entitled to vote.
- (6) All alterations made in the proxy form should be initialled.
- (7) A form of proxy is enclosed to this Notice. No instrument of proxy shall be valid unless:
 - i. It is signed by the equity shareholder or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the equity shareholder first named in the Register of Members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its Common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any equity shareholder, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a nationalised bank, and
 - ii. it is duly filled, stamped, signed and deposited at the registered office of the Company not less than 48 (forty eight) hours before the time fixed for the Meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar & Share Transfer Agent.
- (8) Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with their respective Depositories or with Applicant Company for admission to the meeting hall.
- (9) It is further clarified that the proxies can only vote through polling paper at the venue of the Meeting and not through any other mode.
- (10) During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.
- (11) In compliance with Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), the Company has also provided the facility to the Shareholders to cast their votes either by way of Postal Ballot or through remote e-voting facility arranged by Bigshare, prior to the meeting.
- (12) Shareholders whose names appears on the Register of Members / Record of Depositories as at the close of business on Friday, July 24, 2020 ("**cut-off date**") will be considered for the purpose of voting and the voting rights shall be reckoned based on the equity shareholding as on cut-off date. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date.
- (13) The Voting period for Postal Ballot shall commence on and from **Thursday, July 30, 2020** at 9.00 a.m. and end on **Friday, August 28, 2020** at 5.00 p.m.
- (14) The Voting period for E-voting shall commence on and from **Thursday, July 30, 2020** at 9.00 a.m. IST and end on **Friday, August 28, 2020** at 5.00 p.m. IST.
- (15) The remote e-voting module shall be disabled by Bigshare for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- (16) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting. Any person who acquires shares of the Company and becomes the member of the Company after the cut-off date i.e. July 24, 2020 shall not be eligible to vote either through remote e-voting or at the Meeting. Any recipient of this notice who has no voting rights as on the cut-off date should treat the same as intimation only.
- (17) Members who have acquired shares after the dispatch of this Notice and before the cut-off date i.e. July 24, 2020 may approach the Company or Bigsharefor issuance of the User ID and Password exercising their right to vote by remote e-voting.
- (18) Member(s) can opt only for one mode of voting. If a Member has opted for E-voting, then he/she should not vote by Postal Ballot and vice-versa. However, in case Members cast their vote both via Postal Ballot and E-voting, then voting through E-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.
- (19) It is clarified that votes may be cast by Shareholders either by Postal Ballot or E-voting and casting of votes by Postal Ballot or e-voting does not disentitle them from attending the Meeting. Shareholder after exercising his right to vote through Postal Ballot or E-voting shall not be allowed to vote on Poll again at the Meeting.
- (20) The quorum of the Meeting shall be 5 equity shareholders of the Company, present in person.
- (21) The facility for voting through ballot or polling paper shall be available at the Meeting and the members attending the meeting who have not already cast their vote by Postal Ballot or remote e-voting shall be able to exercise their right at the Meeting.
- (22) Shareholders desiring to exercise their vote by Postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed and signed to the Scrutinizer so as to reach not later than 5.00 p.m. on Friday, August 28, 2020 at the registered office of the Company
- (23) Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the Scrutinizer.
- (24) The vote on postal ballot cannot be exercised through proxy.
- (25) The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney ("PoA") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, trusts, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution / authorisation giving the requisite authority to the person voting on the postal ballot form.
- (26) As directed by Hon'ble Tribunal, Mr. Prakash Shenoy, Company Secretary (Membership No. A14026) Partner, SAP & Associates, Company Secretaries or failing him Mr. Anil C. Shah (Membership No. F3088) Partner, SAP & Associates, Company Secretaries shall act as Scrutinizer to scrutinize votes cast either electronically or on Postal Ballot or on Poll at the Meeting and submitting a report on votes cast to the Chairman of the Meeting within 48 hours from the conclusion of the Meeting.
- (27) The scrutinizer will submit his combined report to the Chairperson of the Meeting or to the person so authorised by him after completion of the scrutiny of the votes cast by the equity shareholders, which includes Public Shareholders, of the Company through (a) postal ballot; (b) e-voting; and (c) Ballot / polling paper at the venue of the Meeting. The scrutinizer will also submit a separate report with regard to the result of the (a) postal ballot; (b) e-voting; and (c) polling paper at the venue of the Meeting, in respect of Public Shareholders. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final.
- (28) The result of the voting shall be announced by the Chairman, upon receipt of Scrutinizer's report and the same shall be placed on the Company's website www.ptil.co.in within two days of the passing of the resolution at the Meeting and communicated to the BSE Limited ("BSE"), where the equity shares of the Company are listed.
- (29) The Notice convening the Meeting will be published through an advertisement in "Free Press Journal" in English language and "Navshakti" in Marathi language, both having circulation in Mumbai.

- (30) The documents referred to in the accompanied Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office of the Applicant Company up to 1 (one) day prior to the date of Meeting between 11:00 a.m. and 2:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays.

The instructions for shareholders voting electronically are as under:

- (a) The voting period begins at 9.00 a.m. on Thursday, July 30, 2020 and ends at 5.00 p.m. on Friday, August 28, 2020. During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 24, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (c) Log on to the e-voting website www.evotingindia.com
- (d) Click on Shareholders
- (e) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (f) Next enter the Image Verification as displayed and Click on Login.
- (g) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (h) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (j) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (l) Click on the EVSN for the relevant Company Name i.e. Precious Trading and Investments Limited on which you choose to vote.
- (m) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (n) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (o) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (p) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (q) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (r) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (s) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (t) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@ptil.co.in (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (a) to sl. no. (t) above to cast vote.
- (B) The voting period begins at 9.00 a.m. on Thursday, July 30, 2020 and ends at 5.00 p.m. on Friday, August 28, 2020. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 24, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 along with other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Merger between Precious Trading And Investments Limited (“the Transferor Company”) and Sheth Developers Private Limited (“the Transferee Company”) and their respective Shareholders

Precious Trading And Investments Limited, a)
company incorporated under the provisions of the)
Companies Act, 1956 and having its registered)
office at Ground and Third Floor, Prius Infinity,)
Paranjape B Scheme, Subhash Road, Vile Parle(East))
Mumbai – 400 057.)Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, FOR THE MEETING OF THE EQUITY SHAREHOLDERS OF PRECIOUS TRADING AND INVESTMENTS LIMITED DIRECTED TO BE CONVENED BY SPECIAL BENCH, MUMBAI OF HON’BLE NATIONAL COMPANY LAW TRIBUNAL

Details of the Companies or Parties involved in the Scheme:

1. **Precious Trading And Investments Limited**- referred to as “the Applicant Company” “the Company” or “the Transferor Company” or “PTIL”;

And

2. **Sheth Developers Private Limited**- referred to as “the Transferee Company “ or “SDPL”.

The Scheme of Merger between the above companies and their respective shareholders is referred to as “the Scheme” or “this Scheme” or “Scheme” and the above companies together are referred to as “the Applicant Companies”. Other definitions contained in the enclosed Scheme will also apply to this Statement.

1. This is a Statement accompanying the Notice convening the meeting of the Equity Shareholders of the Applicant Company.
2. Pursuant to an order dated July 14, 2020 passed by the Special Bench, Mumbai of the Hon’ble National Company Law Tribunal (“Tribunal”) in the Company Application No.CA(CAA)1017/MB of 2020 referred to hereinabove, a meeting of the Equity Shareholders of the Company is being convened and held on Saturday, August 29, 2020 at 10.30 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme between **Precious Trading And Investments Limited** referred to as “the Applicant Company” “the Company” or “the Transferor Company “ or “ PTIL” and **Sheth Developers Private Limited** referred to as “the Transferee Company “ or “SDPL” and their respective shareholders (“Scheme”).
3. In addition to the Tribunal Convened Meeting of the Equity Shareholders of the Applicant Company, approval of the Equity Shareholders of the Applicant Company is also sought by way of Postal Ballot and remote e-Voting facility arranged through BigshareServices Private Limited (**Bigshare**), Registrar and Transfer Agent of the Company in compliance with Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”).
4. A copy of the Scheme setting out in detail the terms and conditions of the arrangement has been approved by the Board of Directors of the Applicant Companies at their respective board meetings held on 17th September, 2019 and 3rd June, 2020, is attached to this Explanatory Statement and forms part of this Statement.

5. Details of the Companies:

(i) Precious Trading And Investments Limited

- (a) **Precious Trading And Investments Limited** referred to as (“the Applicant Company” “the Company” or “the Transferor Company” or “PTIL”), a Public Limited Company, having Corporate Identification Number L51900MH1983PLC029176, was incorporated under the provisions of the Companies Act, 1956 in Mumbai, the State of Maharashtra on January 24, 1983 and the name of the Transferor Company has remained unchanged since incorporation. Permanent Account Number of PTIL is AAABCP9463A.
- (b) The registered office of PTIL is at Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East) Mumbai – 400 057, Maharashtra and e-mail address is cs@ptil.co.in
- (c) The Objects for which PTIL has been established are set out in its Memorandum of Association. The main objects of PTIL are set out hereunder:
1. *“To carry on the business as merchants, traders, commission agents, buying agents, selling agents, brokers, adatis, buyers sellers agents, depot managers, importers, exporters, dealers in, collections distributors of and to import, export, buy, sell, barter, exchange, pledge, distribute, mortgage, advance upon or otherwise trade and deal in merchandise, general produce, substances, materials, goods, machinery and equipment including textile machinery, its spare parts and accessories, chemicals, dyes, intermediaries, fertilizers, electrical goods, electronic devices and components, textile yarns, cloth, garments and furniture, dairy, farm and garden produce and in particular milk, casein and its allied products including cheese, butter, tinned milk, condensed milk and the products and substances derived from the manipulation of or treatment of milk, cream, ice-cream, ghee, poultry, eggs, fruits, vegetables, pickles and cider as wholesalers or retailers, on the basis of ready delivery or forward contracts, on commission basis or otherwise.*
 - 1a. *To carry on the business of exports of systems and applications software and to otherwise deal in systems design, software engineering programmings, data processing, training, research, development of software packages, computerization and to carry on business as consultants in the field of computerisation and development of software packages in and outside India and to design, manufacture, market, import, trade install, assemble, heir, repair, erect, service or otherwise deal in electrical, electromechanical, software, hardware, process control and systems, magnetic instrumentation systems, equipment’s, computers, accessories and spare parts.*
 2. *To carry on business of investment company, and to invest the capital and other monies of company and for that purpose to purchase or otherwise acquire, become interested in, deal in, invest in, hold, sell, mortgage, pledge or otherwise dispose of, to turn to account or realise upon, the security of shares, stock units, debentures, debenture stock, bonds, mortgages, obligation and securities of any kind issued or guaranteed by any company corporation or undertaking whether incorporated or otherwise and wheresoever constituted or carrying on business, in shares, stock, debenture, debenture stock, bonds, notes, mortgages, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioner, trust, municipal local or other authority or body of whatever nature in India or abroad and to underwrite, sub-underwrite, to invest in, and acquire and hold, sell, by or otherwise deal in shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities, or Public Authorities or bodies and shares, stocks, debentures, debenture-stocks bonds, obligations and securities issued and guaranteed by any company, corporations, firms or person whether incorporated or established in India or elsewhere.”*
- (d) PTIL is engaged in the business of investing in other companies.
- (e) PTIL was incorporated in the State of Maharashtra on January 24, 1983. The details of change in the registered office of the Transferor Company during the last 5 (five) years is as follows:
- (i) From October 25, 2010 to June 30, 2018, the registered office of the Transferor Company was at Sheth House, General A.K. Vaidya Marg, next to Dindoshi Fire Station, Opposite Oberoi Mall, Malad East, Mumbai – 400 097;
 - (ii) From July 1, 2018, the Transferor Company changed its registered office to Ground and Third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai – 400 057.

- (f) There has been no change in the name and objects of PTIL during the last five years.
- (g) The equity shares of PTIL are listed on BSE Limited.
- (h) Capital Structure - The Authorized, issued, subscribed and paid-up share capital of PTIL as on March 31, 2020 is as under:

Particulars	Amount (In Rupees)
Authorised Share Capital	
<i>Equity Shares</i>	
2,50,000 equity shares of Rs. 10 each	25,00,000
Issued, Subscribed and Paid-up Share Capital	
<i>Equity Shares</i>	
2,40,000 equity shares of Rs. 10 each	24,00,000

- (i) Subsequent to March 31, 2020, there has been no change in the issued, subscribed and paid up share capital of PTIL.
- (j) The details of the promoters and present directors of PTIL along with their addresses are as follows:

Sr. No.	Name	Address
Promoters		
1.	M/s Sheth Developers Private Limited	Ground and Third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East), Mumbai – 400057, Maharashtra
Directors		
1.	Mr. Ashwin N. Sheth (Managing Director)	Plot No7, Hatkesh CHS, East West Road No 02, J.V.P.D Scheme, Near Jalaram hall, Vile Parle (West), Mumbai - 400 056
2.	Mr. Sharad N. Doshi (Independent Director)	A/202, 1 st floor, Sankalp Nagar CHS Ltd, Mumbai Pune Road, Kalwa (West), Thane -400605
3.	Mrs. Daksha Pandya (Independent Director)	Flat No. A-209, Lal Bahadur CHS Ltd, Doshi Wadi, Near Sarvodaya Hospital, LBS Marg, Ghatkopar (West), Mumbai - 400086
4.	Mr. Yogesh G Bafna (Additional Director)	1101,11 th Floor, RBI Employees Ratnakunj CHS Ltd, Babhai Naka, Eksar Road, Near Five Spice Restaurant, Borivali (West), Mumbai – 400092.

- (ii) Sheth Developers Private Limited
- (a) **Sheth Developers Private Limited** referred to as “the Transferee Company” or “SDPL”, a Private Limited Company, having Corporate Identification Number U45200MH1993PTC070335, was incorporated under the provisions of the Companies Act, 1956. SDPL was originally incorporated as a Public Limited company under the name and style of “Sheth Developers Limited” on January 6, 1993 in the State of Maharashtra, which later converted to a private company as “Sheth Developers Private Limited” vide fresh certificate of incorporation dated March 24, 2003 issued consequent to the conversion of the Transferee Company into a private limited company. Permanent Account Number of SDPL is AAACS9943H.
- (b) The registered office of SDPL is at Ground and Third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East), Mumbai – 400 057, Maharashtra and e-mail address is cs@shethdevelopers.com.

- (c) The details of change in the registered office of the Transferee Company during the last 5 (five) years is as follows:
- (i) From October 25, 2010 to June 30, 2018, the registered office of the Transferee Company was at Sheth House, General A.K. Vaidya Marg, Next to Dindoshi Fire Station, Opp. Oberoi Mall, Malad East, Mumbai – 400097;
 - (ii) From July 1, 2018, the Transferee Company changed its registered office to Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East) Mumbai – 400 057.
- (d) The objects for which SDPL has been established are set out in its Memorandum of Association. The main objects of SDPL are set out hereunder:
1. *“To carry on business as developers of land, buildings, immovable properties and of real estates by constructing, reconstructing, altering, improving, furnishing and maintaining offices, flats, houses, factories, ware-houses, shops, wharves, buildings works and conveniences and by consolidating connecting and sub-dividing immovable properties and by leasing and disposing of the same.*
 2. *To carry on business of builders, contractors, erectors constructors of buildings, houses, apartments, structures for residential, industrial, commercial, institutional or Developer of Co-operative Housing Societies, developers of housing schemes, townships, holiday resorts, hotels, motels and in particular preparing of building sites, constructing, reconstructing erecting, altering, improving, enlarging, developing, furnishing and maintaining of structures, flats, houses, factories, shops, garages, warehouses, buildings, works, workshops, godowns and conveniences to purchase for development or for resale lands, houses, buildings, structures and other properties of any tenure and any interest and to purchase, sell land or building and give land and/or building and lease, sub-lease and to deal in properties.”*
- (e) SDPL is engaged in the business of builders, contractors, erectors, constructors of buildings, houses, apartments, structures for residential, industrial, commercials, institutional or developments of co-operative Housing societies etc.
- (f) There has been no change in the name and objects of SDPL during the last five years.
- (g) The equity and preference shares of SDPL are not listed on any Stock Exchange in India or elsewhere.
- (h) Capital Structure - The Authorized, issued, subscribed and paid-up share capital of SDPL as on June 30, 2020 is as under:

Particulars	Amount (In Rupees)
Authorised Share Capital	
<i>Equity Shares</i>	
10,00,000 equity shares of Rs. 100 each	10,00,00,000
<i>Preference Shares</i>	
31,00,000 Redeemable non-cumulative, non-participating preference shares of Rs. 10 each	3,10,00,000
Issued, Subscribed and Paid-up Share Capital	
<i>Equity Shares</i>	
10,00,000 equity shares of Rs. 100 each	10,00,00,000
<i>Preference Shares</i>	
29,77,200 Redeemable non-cumulative, non-participating preference shares of Rs. 10 each	2,97,72,000

Subsequent to June 30, 2020, there has been no change in the issued, subscribed and paid up share capital of SDPL.

(i) The details of the promoters and present directors of SDPL along with their addresses are as follows:

Sr. No.	Name	Address
Promoters		
1	Mr. Ashwin N. Sheth	Plot No 7, Hatkesh CHS, East West Road No 02, J.V.P.D Scheme, Near Jalaram hall, Vile Parle (West), Mumbai – 400056
2	Mr. Chintan A. Sheth	Plot No 7, Hatkesh CHS, East West Road No 02, J.V.P.D Scheme, Near Jalaram hall, Vile Parle (West), Mumbai – 400056
3	Mr. Maulik A. Sheth	Plot No 7, Hatkesh CHS, East West Road No 02, J.V.P.D Scheme, Near Jalaram hall, Vile Parle (West), Mumbai – 400056
4	Mr. Ashwin N. Sheth (HUF)	Plot No 7, Hatkesh CHS, East West Road No 02, J.V.P.D Scheme, Near Jalaram hall, Vile Parle (West), Mumbai – 400056
5	M/s Laxmiprabha Impex and Investments Private Limited	Ground and Third flr., Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East), Mumbai - 400057, Maharashtra
6	M/s Sheth Shelters Private Ltd.	Ground and Third flr., Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East), Mumbai - 400057, Maharashtra
Directors		
1.	Mr. Ashwin N. Sheth (Managing Director)	Plot No 7, Hatkesh CHS, East West Road No 02, J.V.P.D Scheme, Near Jalaram hall, Vile Parle (West), Mumbai - 400056
2.	Mr. Chintan A. Sheth (Director)	Plot No 7, Hatkesh CHS, East West Road No 02, J.V.P.D Scheme, Near Jalaram hall, Vile Parle (West), Mumbai - 400056
3.	Mr. Maulik A. Sheth (Director)	Plot No 7, Hatkesh CHS, East West Road No 02, J.V.P.D Scheme, Near Jalaram hall, Vile Parle (West), Mumbai - 400056

6. RELATIONSHIP SUBSISTING BETWEEN THE COMPANIES WHO ARE PARTIES TO THE SCHEME

The Transferee Company and the Transferor Company are related parties as the Transferee Company is the promoter of Transferor Company and holds 74.99% equity shares of the Transferor Company.

7. At the meeting held on September 17, 2019 and June 3, 2020, based on the recommendations of the Audit Committee, the Board of Directors of PTIL had unanimously approved the proposed Composite Scheme of Merger, after taking on record the Valuation reports dated September 7, 2019 issued by Mr. Paras K Salva, an independent Registered Valuer and Fairness Opinion dated September 10, 2019 issued by M/s. Arihant Capital Markets Limited, a SEBI registered Merchant Banker.
8. The said Scheme of Merger was unanimously approved by all the Directors of PTIL and SDPL vide resolutions passed at their respective Board Meetings held on September 17, 2019 and June 3, 2020.

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

(i) PTIL

Name of the Directors of PTIL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Mr. Ashwin N. Sheth	Favour
Mr. Sharad N. Doshi	Favour
Mrs. Daksha Pandya	Favour

(ii) SDPL

Name of the Directors of SDPL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Mr. Ashwin N. Sheth	Favour
Mr. Chintan A. Sheth	Favour
Mr. Maulik A. Sheth	Favour

9. Description of the Scheme

The Scheme provides for:

- With effect from the Appointed Date, upon scheme becoming effective, the Undertaking of the Transferor Company shall be and stand transferred to and vested in and/ or be deemed to have been and stand transferred to and vested in the Transferee Company and consequent issue of Redeemable, Cumulative Non-Participating and Non –convertible Preference shares by the Transferee Company to the shareholders of the Transferor Company, in the manner set out in the Scheme and in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of law;
- Upon this Scheme becoming effective, the Authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including filing of statutory forms with the ROC and payment of stamp duty and fees payable to the ROC, by the authorized share capital of the Transferor Company as on the Effective Date, as such fees and duties in respect of such authorized share capital of the Transferor Company have already been paid by the Transferor Company, the benefit of which stands vested in the Transferee Company upon this Scheme becoming effective and no separate procedure or further resolution under Section 55 and 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

10. Rationale of the Scheme or the Benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others

- (a) The Transferor Company has been a loss-making entity and the Transferor Company’s revenue for the year ending March 31, 2019 has been nil. The Transferor Company is primarily, holding investments. This function can easily be carried out by the Transferee Company on its own. This would help by reducing an unnecessary layer and thereby improving transparency. Also, the revenue generation of the Transferee Company has been positive and if these entities are merged as per the Scheme hereunder, the activities of the Transferor Company can be carried out by the Transferee Company.
- (b) Further, since the year 2001, no business activity (other than making of investment) has been undertaken by the Transferor Company. No trading activity has been undertaken on BSE by any of the Shareholders of the Transferor Company. Therefore, notwithstanding the listing of equity shares of the Transferor Company, the shareholders of the Transferor Company have not really enjoyed the benefit of listing in particular, they have not enjoyed any liquidity in respect of their shareholding nor have they enjoyed any significant appreciation in value of their shares. On the other hands, under the Scheme, they will be

issued Redeemable Preference shares of the Transferee Company which will effectively ensure that the shareholders are able to enjoy appreciation in value of investment held by the Transferor Company and will be assured of obtaining liquidity on redemption of preference shares in an assured timeframe or even earlier if an identified market maker is willing to acquire the preference shares. Thus, with this merger, the Transferor Company is unlocking the value of the shares for its Shareholders. Accordingly, if the Transferor Company is merged with the Transferee Company, there will not be any adverse effect on the Shareholders of the Transferor Company. The Scheme will not in any manner be prejudicial to the interest of the concerned shareholders, creditors, employee or key managerial personnel or any stakeholder or general public at large.

- (c) Both the Transferor Company and the Transferee Company have the same key managerial personnel and accordingly the business of the Transferor Company can be merged with the Transferee Company conveniently and can be carried on in conjunction more advantageously and therefore no useful purpose is being served by operating two separate legal entities.
- (d) In the above circumstance, the merger of the Transferor Company with the Transferee Company in accordance with this Scheme and the relevant provisions of the Act, read with the Rules would therefore enable the Parties to utilize the financial resources as well as the managerial, technical, distribution and marketing resources of each other and it would be beneficial for the effective management and controlled supervision of the Transferee Company, thereby protecting the interest of the Transferor Company.
- (e) Further, the Transferor Company, as on date, owes NIL liability and accordingly, if the Transferor Company is merged with the Transferee Company, the liability of the Transferee Company will increase negligibly and there will not be any adverse effect on the Transferee Company.
- (f) The merger under this Scheme will be beneficial to the Transferor Company and the Transferee Company, in the following manner:
 - (ii) facilities such as manpower, office space and other infrastructure could be better utilized by the Transferee Company and duplication of facilities could be avoided resulting in optimum use of facilities to the advantage of the Transferee Company;
 - (iii) employees of the Transferor Company would be provided an opportunity to be gainfully employed by the Transferee Company;
 - (iv) pursuant to the Scheme, the liabilities of the Transferor Company would be duly discharged by the Transferee Company;
 - (v) the unutilised assets of the Transferor Company could be put to better use by the Transferee Company;
 - (vi) the Transferee Company will be able to ensure better turnover and profits and would ultimately contribute substantially to the future business expansion and will be able to exploit the market to the fullest possible extent;
 - (vii) the merger will reduce compliance cost, for example, listing fees, audit fees, for the Transferor Company;
 - (viii) significant reduction in the multiplicity of legal, regulatory reporting and compliances required at present;
 - (ix) balance sheet of the Transferee Company will become stronger;
 - (x) simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure;
 - (xi) the merger will provide significant impetus to the growth of the Transferee Company. The merger will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion of the Transferee Company;
 - (xii) to increase the efficiency of combined business by pooling of resources and their optimum utilisation, thereby availing synergies from combined resources;
 - (xiii) to consolidate business for cost control; and

- (xiv) the Scheme will create enhanced value for shareholders and allow a focused growth strategy which would be in the best interests of all the stakeholders. The restructuring proposed by this Scheme will also provide flexibility to the investors to select investments which best suit their investment strategies and risk profile.

11. Key salient features of the scheme.

- a) **“Appointed Date”** means April 1, 2019 or such other date as may be fixed or approved by the NCLT.
- b) **“Effective Date”** means the date on which the certified or authenticated copies of the order(s) sanctioning the Scheme, passed by the NCLT is filed with the ROC. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of the Scheme” or “Scheme taking effect” shall mean the Effective Date.
- c) **“Undertaking”** means the business of the Transferor Company and includes all the assets of the Transferor Company as on the Appointed Date and all the liabilities of the Transferor Company as on the Appointed Date and without prejudice to the generality of the above, the term “Undertaking” shall include following:
1. any and all its assets, whether movable or immovable, whether present or future, whether tangible or intangible, in possession or reversion, all rights, title, interests, covenants, undertakings, including continuing rights, title and interests in connection with the land and the buildings thereon, whether leasehold or otherwise, plant and machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto, and wheresoever situated in India or overseas, and wheresoever situated belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including in particular, but without being limited to fixed assets, capital work-in-progress, current assets, debts, receivables, investments, software, technologies, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company;
 2. any and all investments (including shares and other securities), income by whatever name called, loans and advances, including accrued interest thereon;
 3. any and all licenses, approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, sales tax credits, income tax credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements, applications and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Transferor Company and advantages of whatsoever nature and wheresoever situated, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, licences, tenancy rights, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections & installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefits of all agreements, subsidies, grants, sales-tax, turnover tax, excise, permits, quotas, rights, entitlements, tenancies, roof rights, brand, all copyrights, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label, designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges and any rights, title or interest in intellectual property rights, benefits of contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, powers and facilities of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled;
 4. any and all debts, liabilities, contingent liabilities, duties and obligations, present or future, whether secured or unsecured, of the Transferor Company and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed Date;

5. all contracts including but not restricted to leave & licence agreements, term sheets, lease deeds, memorandum of understandings, business/asset purchase agreements, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings whether written or otherwise, lease rights, deeds, bonds, other agreements, applications and instruments of whatsoever nature to which the Transferor Company is a party and having effect immediately before the Effective Date;
6. any and all employees, who are on the pay roll of the Transferor Company, including those engaged at their respective offices and branches, at their current terms and conditions;
7. any pending suit/appeal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against any of the Transferor Company;
8. all the tax liabilities under any applicable laws/ regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company;
9. any refunds/ credits/ claims under any tax laws due to the Transferor Company (including but not limited to advance tax, self-assessment tax, regular assessment tax and service tax credits);
10. policies that the Transferor Company is entitled to, in relation to their operations, and all benefits, entitlements and incentives of any nature whatsoever, including minimum alternate tax credit entitlement;
11. all necessary records, files, papers, computer programmes, websites, domain names, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Transferor Company; and
12. any and all advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, in connection with or relating to the Transferor Company.

d) Amalgamation of the Transferor Company into the Transferee Company

- With effect from the Effective Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting of the Undertaking of the Transferor Company, Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been, and stand, transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 230 to 232 of the Act and section 2(1B) of the Income-tax Act, 1961.
- **Consideration:** On amalgamation of the Transferor Company with the Transferee Company, the Transferee Company shall, without any further application or deed, issue and allot, total 7,38,96,930 unlisted, 10%, Redeemable, cumulative, non-participating and non-convertible preference shares of Rs.10 each (**New Preference Shares**), credited as fully paid up, to the equity shareholders of the Transferor Company other than the Transferee Company, holding fully paid-up equity shares of the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company, in the following proportion:

“1231 unlisted, 10%, redeemable, cumulative, non-participating and non-convertible preference shares of Transferee Company of Rs. 10/- each fully paid up for one equity share of the Transferor Company of Rs. 10/- each fully paid up”
- The issue and allotment of the New Preference Shares to the holders of equity shares as provided in this Scheme shall be deemed to be due compliance of the provisions of Section 55, 62 and Section 42 of the Act and other relevant and applicable provisions of the Act and rules made there under for the issue and allotment of the New Preference Shares issued by the Transferee Company to the equity shareholders of the Transferor Company other than the Transferee Company, as provided in this Scheme.

- Upon this Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled and shall be deemed to be cancelled without any further act, deed or application. It is clarified that only New Preference Shares shall be issued by the Transferee Company to other existing shareholders against the value of the equity shares held by them in the Transferor Company.
- On the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved, by the order of the NCLT. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the concerned Registrar of Companies.

e) Amendment of Memorandum of Association of the Transferee Company

Clause V of the Memorandum of Association of the Transferee Company shall, as a part of and, upon this Scheme becoming effective and without any further act or deed, be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs. 88,35,00,000/- (Rupees Eighty Eight Crores Thirty Five Lakhs Only) divided into 10,25,000 Equity Shares of Rs.100/- each and 31,00,000 Redeemable Non-Cumulative, Non-Participating Preference shares of Rs.10/- each and 7,50,00,000 Cumulative and Redeemable Non-Participating Preference shares of Rs.10/- each. The Company has power from time to time to increase or reduce the capital and to issue any of the share in the capital, original in increased or ordinary or preferred with or subject to any preferential, special, deferred or qualified rights, privileges or conditions, as regards payment of dividends, distribution of assets, repayments or reduction of capital, voting or otherwise or sub-divide them and generally on such terms as the Company may from time to time by special resolution determine and to vary the regulation of the Company as far as necessary to give effect to the same, subject to the provisions of laws.”

It is clarified that for the purposes of this Clause 9 of the Scheme, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment in the Memorandum of Association of the Transferee Company, and shall be deemed to include consent under any other provisions of the Act that may be applicable and no further resolution under any provision of the Act including Section 13 of the Act would be separately required. The Transferee Company shall file the requisite e-forms with the ROC for alteration of its Memorandum of Association.

f) Reorganisation of the share capital of the Transferee Company

- Upon this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including filing of statutory forms with the ROC and payment of stamp duty and fees payable to the ROC, by the authorized share capital of the Transferor Company as on the Effective Date, as such fees and duties in respect of such authorized share capital of the Transferor Company have already been paid by the Transferor Company, the benefit of which stands vested in the Transferee Company upon this Scheme becoming effective and no separate procedure or further resolution under Section 55 and 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- The Memorandum of Association and Articles of Association of the Transferee Company (clause relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 230 to Section 232 of the Act read with Sections 13, 14, 55, 61, 62 and 64 of the Act and other applicable provisions of the Act as the case may be. It is clarified that the approval of the equity and preference shareholders of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential alteration of the Memorandum of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum of Association of the Transferee Company as required under Sections 13, 14, 55, 61, 62 and 64 of the Act and other applicable provisions of the Act.

- iii. Upon this Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled and shall be deemed to be cancelled without any further act, deed or application. Only New Preference Shares shall be issued by the Transferee Company to other existing shareholders of the Transferor Company against the value of the equity shares held by them in the Transferor Company.
- g) The Scheme is and shall be conditional upon various events listed in clause 11 – “Conditions Precedents”.
- h) The Transferor Company and/ or the Transferee Company acting through their respective Board shall each be at liberty to revoke, cancel and declare the Scheme to be of no effect if such Boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have serious financial implication on the Transferor Company and/or the Transferee Company.
- i) If the Scheme is not effective within such period or extended periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Boards or its authorized representative, the Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.
- j) In the event of revocation/ withdrawal as stated above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

12. Summary of Valuation Reports including basis of valuation and Fairness opinions

(i) Summary of Valuation Reports obtained from Mr. Paras K Salva, an independent valuer:

PTIL is a relatively non-operating company with the major assets being an investment in the equity shares and preference shares of companies, hence the Net Asset Approach was considered appropriate for valuation of share of PTIL. Also, since PTIL is Investment Company, book value is considered as a better indicator of value rather than earnings as most of the assets and liabilities of Investment Company are liquid and mark-to- market for the expected and actual losses from underlying business. This in a way automatically tracks the market value of equity invested in existing assets.

Considering the risk-free rate as RBI bond yield, the difference between RBI Bond yield and coupon rate of 10% is assumed to be risk premium in this case. The discount rate of 10% (higher than risk free rate) is fair considering the fact that the preference shares have lower preference in terms of coupon payment and during redemption as compared to secured or unsecured debt. However, it would be less than discount rate for equity shares as preference shares are offered as a liquidity option for the non-traded equity shares, a fair cumulative dividend rate; and preference for dividend and redemption over other class of present and future preference shareholders. Thus, taking a discount rate of 10%, the present value of cash flows to the preference shares comes to Rs.10 which is its face value.

(ii) Fairness Opinion obtained from M/s. Arihant Capital Markets Limited, a SEBI registered Merchant Banker:

The management of PTIL is of the view that since PTIL is relatively non-operating company functioning mainly as an investment company, it is not possible to ascertain future cash flows. Hence, in absence of future cash flows, discounted cash flow approach of valuation is not adopted. PTIL’s major assets comprise investment in the equity shares and preference shares of companies, hence the Net Asset Approach was considered appropriate for valuation of share of PTIL.

(iii) The valuation reports and fairness opinion are available for inspection at the Registered office of PTIL;

- 13. Statutory Auditors of PTIL, M/s. S.M. Gupta & Co., Chartered Accountants had vide certificate dated September 10, 2019 confirmed that the accounting treatment proposed in the Scheme is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

14. Approvals / Sanctions/ No-Objections from Regulatory or any Governmental Authorities:

- (a) The Company has received, in terms of Regulation 37 of SEBI LODR Regulations, Observation Letter dated February 17, 2020 from the BSE Limited. Copy of the said letter is enclosed as an Annexure to this Notice.
- (b) As required by the SEBI Circular, PTIL has filed the Complaints Reports with the BSE Limited. After filing of the Complaint Reports, PTIL has not received any complaint. Copy of the said report is enclosed as Annexure to this Notice.

15. Amounts due to unsecured creditors as on January 31,2020 (provisional)

Particulars of amounts due to Unsecured Creditors from respective Company's involved in the Scheme as at January 31, 2020 is detailed herein:

Name of the Applicant Company	Amount (in Lakh)
Precious Trading And Investments Limited	Nil
Sheth Developers Private Limited	34398.46

16. Effect of the Scheme on various parties

- a) **Directors & Key Managerial Personnel** - The Directors or KMPs or their relatives of the respective companies involved in the Scheme do not have any other interest in the Scheme otherwise than that as shareholders in any of Applicant Companies involved in the Scheme. Further, none of the managers, key managerial personnel and/or relatives of the directors / KMPs of the respective companies involved in the Scheme is concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the Directors of the respective companies involved in the Scheme have any material interest in the proposed Scheme. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons. The Directors and KMPs of the Transferor Companies viz. PTIL shall cease to be Directors and/or KMP consequent to their dissolution upon amalgamation with SDPL as detailed in the Scheme.

Details of the present Directors and Key Managerial Personnel (KMP) and their respective shareholding as on date in Applicant Company is as follows:

PTIL

Sr No	Name of the Directors and KMP of PTIL	Designation	Shares held in PTIL	Shares held in SDPL
Director				
1.	Mr. Ashwin N. Sheth	Managing Director	-	7,37,550
2.	Mr. Sharad N. Doshi	Independent Director	-	-
3.	Mrs. Daksha Pandya	Independent Director	-	-
4.	Mr.Yogesh G Bafna	Additional Director	-	-
KMP's				
1.	Mr. Chintan A. Sheth	Chief Financial Officer	-	54,000
2.	Mr. Ankush V. Bhoir	Company Secretary	-	-

SDPL

Sr No	Name of the Directors and KMP of SDPL	Designation	Shares held in SDPL	Shares held in PTIL
Directors				
1.	Mr. Ashwin N. Sheth	Managing Director	7,37,550	-
2.	Mr. Chintan A. Sheth	Director	54,000	-
3.	Mr. Maulik A. Sheth	Director	54,000	-
KMP's				
1.	Mr. Ankush V. Bhoir	Company Secretary	-	-

b) Promoter & Non-Promoter Equity of PTIL:

Equity shareholders of PTIL shall be eligible for receipt of Preference Shares of SDPL based on the valuation report obtained from Mr. Paras K Savla, an independent Registered valuer.

Thus, the rights and interest of the Promoters and Non-Promoter Shareholders of companies involved in the Scheme will not be prejudicially affected by the Scheme.

The pre and post (expected) Scheme shareholding patterns of the respective companies involved in the Scheme as on June 30, 2020, is as follows:

PTIL

	Description	Pre-Scheme shareholding of PTIL	
		Number of shares	% (A+B+C)
(A)	Promoter and promoter group		
-1	Indian	-	-
(a)	Individuals / Hindu Undivided Family	-	-
(b)	Central Government/ State Government(s)	-	-
(c)	Financial Institutions/ Banks	-	-
(d)	Any other – Body Corporate Sheth Developers Private Limited	1,79,970	74.99%
	Sub-Total A(1):	1,79,970	74.99%
-2	FOREIGN		
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-
(b)	Government	-	-
(c)	Institutions	-	-
(d)	Foreign Portfolio Investor	-	-
(b)	Any Other (specify)	-	-
	Sub-Total A(2) :		- -
	Total A=A(1)+A(2)	1,79,970	74.99%
(B)	PUBLIC SHAREHOLDING		
-1	INSTITUTIONS	-	-
(a)	Mutual Funds/UTI	-	-
(b)	Venture Capital Funds	-	-

(c)	Alternate Investment Funds	-	-
(d)	Foreign Venture Capital Investors	-	-
(b)	Foreign Portfolio Investors	-	-
(c)	Financial Institutions / Banks	-	-
(d)	Insurance Companies	-	-
(e)	Provident Funds/ Pension Funds	-	-
(f)	Any other	-	-
	Sub-Total B(1) :	-	-
B(2)	Central Government/ State Government(s)/ President of India	-	-
	Sub-Total B(2):	-	-
B(3)	NON-INSTITUTIONS		
	Individual share capital uptoRs. 2 Lacs	60,030	25.01%
	Individual share capital in excess of Rs. 2 Lacs	-	-
	NBFCs registered with RBI	-	-
	Employee Trusts	-	-
	Overseas Depositories (holding DRs)	-	-
	Sub-Total B(3):	60,030	25.01%
B (4)	Any Other (specify)		
	Overseas	-	-
	Domestic	-	-
	Non Resident Indians	-	-
	Clearing member	-	-
	NRI	-	-
	OCB	-	-
	Trust	-	-
	Person Acting in Concert (PAC)*	-	-
	Sub-Total B(4) :	-	-
	Total B=B(1)+B(2)+ B(3) + B (4) :	60,030	25.01%
	Total (A+B) :	2,40,000	100%
C1)	Shares underlying DRs		
(C2)	Shares held by Employee Trust	-	-
(C3)	Non Promoter-Non Public	-	-
	Sub-Total (C) :	-	-
(D)	Foreign Government		
	Federal agency of State Property Management of Russian Federation	-	-
	GRAND TOTAL (A+B+C+D) :	2,40,000	100%

Post Scheme: Not Applicable as PTIL would be merged with SDPL pursuant to the Scheme and entire Pre-Scheme Paid-up Equity Share Capital of PTIL shall stand cancelled in pursuance of the Scheme.

SDPL

Equity Capital:

Sr.No.	Description	Pre-Scheme shareholding of SDPL		Post-Scheme shareholding of SDPL	
		No. of Shares	%	No. of shares	%
1.	Individuals/HUF	8,49,134	84.91	8,49,134	84.91
2.	Central Government/State Government	-	-	-	-
3.	Bodies Corporate	1,50,866	15.09	1,50,866	15.09
4.	Financial Institutions	-	-	-	-
	Total	10,00,000	100.00%	10,00,000	100.00%

Preference Capital:

6%, redeemable, non-cumulative, non-participating and non-convertible preference shares

Sr.No.	Description	Pre-Scheme shareholding of SDPL		Post-Scheme shareholding of SDPL	
		No. of Pref. shares	%	No. of Pref. shares	%
1.	Promoter/Promoter group	23,25,000	78.09	23,25,000	78.09
2.	Foreign -	-	-	-	-
3.	Public Shareholding	6,52,200	21.91	6,52,200	21.91
	Total	29,77,200	100.00%	29,77,200	100.00%

10%, redeemable, cumulative, non-participating and non-convertible preference shares

Sr.No.	Description	Pre-Scheme shareholding of SDPL		Post-Scheme shareholding of SDPL	
		No. of Pref. shares	%	No. of Pref. shares	%
1.	Promoter/Promoter group	-	-	-	-
2.	Foreign -	-	-	-	-
3.	Public Shareholding	-	-	7,38,96,930	100%
	Total	-	-	7,38,96,930	100.00%

- c) **Creditors** – All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme Further the rights and interests of the Creditors will not be prejudicially affected by the Scheme as there is no Compromise and/or Arrangement with the Creditors since no sacrifice or waiver is, at all, called from them nor are their terms or rights sought to be modified in any manner.

d) Employees

- (a) All the permanent employees, including the key managerial personnel of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. The Transferee Company undertakes to continue to abide by agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company. Subject to this Clause, the Transferee Company shall have the right to transfer such employees to any unit, division, profit/cost centre or department of the Transferee Company situated anywhere in India or abroad if warranted and as may be deemed necessary from time to time.
- (b) The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the “Funds”) and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the employees concerned. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and be merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.
- (c) It is clarified that with regard to such employees of the Transferor Company who have ceased to be the employees of the Transferor Company on account of reasons other than any disciplinary action that may have been taken against such employees by the Transferor Company, from the Appointed Date, the Transferee Company shall assume all the responsibilities and obligations of the Transferor Company towards such employees until the said responsibilities and obligations stand duly discharged in law.

17. CAPITAL STRUCTURE PRE AND POST ARRANGEMENT

Pre & Post Scheme Capital structure of the Companies involved in the Scheme will be as under:

PTIL

	Pre-Arrangements as on June 30, 2020	
	No. of Shares	Rs. in Lakhs
Authorised Share Capital:		
Equity Shares of Rs. 10 each	2,50,000	25,00,000
Total	2,50,000	25,00,000
Issued, Subscribed & Paid Up Share Capital:		
Equity Shares of Rs. 10 each fully paid up	2,40,000	24,00,000
Total	2,40,000	24,00,000

Post Scheme : Not Applicable as PTIL would be merged with SDPL pursuant to the Scheme and entire Pre-Scheme Paid-up Equity Share Capital of PTIL shall stand cancelled in pursuance of the Scheme.

SDPL

	Pre-Arrangements on June 30, 2020		Post- Arrangement (Expected)	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Authorised Share Capital:				
Equity shares of Rs. 100 each	10,00,000	1000	10,25,000	1025
Redeemable non cumulative, non-participating non-convertible preference shares of Rs. 10 each	31,00,000	310	31,00,000	310
Redeemable cumulative, non-participating non-convertible preference shares of Rs. 10 each	-	-	750,00,000	7500
Total		1310.00		8835.00
Issued, Subscribed & Paid Up Share Capital:				
Equity shares of Rs. 100 each	10,00,000	1000.00	10,00,000	1000.00
Redeemable non cumulative, non-participating, non-convertible preference shares of Rs. 10 each	29,77,200	297.72	29,77,200	297.72
Redeemable cumulative, non-participating, non-convertible preference shares of Rs. 10 each			7,38,96,930	7389.693
Total		1297.72		8687.413

18. The copy of Scheme will be filed with the Registrar of Companies.
19. No investigation proceedings have been instituted or are pending under applicable provisions of the Companies Act, 2013 or erstwhile provisions of the Companies Act, 1956 against PTIL.
20. No winding up petition has been admitted against the PTIL.
21. On the Scheme being approved by the requisite majority of the respective companies involved in the Scheme as per the requirements of Section 230 of the Companies Act, 2013, both the companies will file a petition with the Tribunal at Mumbai for sanction of the Scheme.
22. The following documents will be open for inspection by the equity shareholders of PTIL up to 1 (one) day prior to the date of the meeting at its registered office between 11:00 a.m. and 2:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays:
 - (i) Copy of the Order dated July 14, 2020 of the Tribunal at Mumbai passed in Company Application No.CA(CAA)1017/MB of 2020 directing the convening of the meeting of the Equity Shareholders of PTIL;
 - (ii) Copy of the Company Application No.CA(CAA)1017/MB of 2020;
 - (iii) Scheme of Merger;
 - (iv) Memorandum and Articles of Association of PTIL and SDPL;
 - (v) Annual Report of PTIL and SDPL for the financial year ended March 31, 2019;
 - (vi) Supplementary accounting statements of Precious Trading And Investments Limited and Sheth Developers Private Limited for the period ended on January 31, 2020,
 - (vii) Copies of the report on the Share Entitlement for merger dated September 7, 2019 issued by Mr. Paras K Savla, an independent Registered valuer and Fairness Opinion dated September 10, 2019 issued by M/s. Arhiant Capital Markets Limited thereon;
 - (viii) Certificates dated September 10, 2019 issued by Statutory Auditors of SDPL in relation to the accounting treatment prescribed in the Scheme is in compliance with the Accounting Standards;

- (ix) Abridged Prospectus related to SDPL as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 along with a letter dated July 13, 2020 issued by M/s. Arihant Capital Markets Limited, Merchant Banker.
- (x) Copy of the Complaints Report submitted to BSE Limited and also uploaded on the Company's website.
- (xi) Copy of Observation letter issued by BSE Limited.
- (xii) Register of Director's Shareholdings of PTIL and SDPL.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of PTIL or/ and at the office of advocate situated at M/s. Ajit Singh Tawar & Co., #14, 3rd Floor, Building 2, Pushpa Vihar, Near Colaba Post Office, Colaba, Mumbai – 400 005.

Place: Mumbai

Date: July 17, 2020

Sharad N. Doshi
Chairman appointed for the meeting

Precious Trading And Investments Limited

Registered Office :

Ground and Third Floor, Prius Infinity,
Paranjape B Scheme, Subhash Road,
Vile Parle (East) Mumbai – 400057

CIN - L51900MH1983PLC029176

SCHEME OF MERGER
OF
PRECIOUS TRADING & INVSTMENTS LIMITED
(“TRANSFEROR COMPANY”)
WITH
SHETH DEVELOPERS PRIVATE LIMITED
(“TRANSFeree COMPANY”)
UNDER
SECTION 230 READ WITH SECTION 232 OF THE COMPANIES ACT, 2013

GENERAL

1. INTRODUCTION

1.1. Brief of the Transferor Company

- (a) The Transferor Company (as defined hereunder) is a listed public limited liability company, incorporated under the provisions of the Companies Act, 1956, bearing corporate identity number L51900MH1983PLC029176, having its registered office at Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East) Mumbai 400057, Maharashtra.
- (b) The Transferor Company was incorporated under the name and style of “Precious Trading & Investments Limited” on January 24, 1983. The name of the Transferor Company has remained unchanged since incorporation.
- (c) The Transferor Company was incorporated in the State of Maharashtra on January 24, 1983. The details of change in the registered office of the Transferor Company during the last 5 (five) years is as follows:
- (i) From October 25, 2010 to June 30, 2018, the registered office of the Transferor Company was at Sheth House, General A. K. Vaidya Marg, next to Dindoshi Fire Station, Opposite Oberoi Mall, Malad (East), Mumbai 400097;
- (ii) From July 1, 2018, the Transferor Company changed its registered office to Ground and third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai – 400057.
- (d) The main objects for which the Transferor Company has been incorporated is as follows:

“1. To carry on the business as merchants, traders, commission agents, buying agents, selling agents, brokers, adatias, buyers sellers agents, depot managers, importers, exporters, dealers in, collections distributors of and to import, export, buy, sell, barter, exchange, pledge, distribute, mortgage, advance upon or otherwise trade and deal in merchandise, general produce, substances, materials, goods, machinery and equipment including textile machinery, its spare parts and accessories, chemicals, dyes, intermediaries, fertilizers, electrical goods, electronic devices and components, textile yarns, cloth, garments and furniture, dairy, farm and garden produce and in particular milk, casein and its allied products including cheese, butter, tinned milk, condensed milk and the products and substances derived from the manipulation of or treatment of milk, cream, ice cream, ghee, poultry, eggs, fruits, vegetables, pickles and cider as wholesalers or retailers, on the basis of ready delivery or forward contracts, on commission basis or otherwise.

1a. To carry on the business of exports of systems and applications software and to otherwise deal in systems design, software engineering programmings, data processing, training, research, development of software packages, computerization and to carry on business as consultants in the field of computerisation and development of software packages in and outside India and to design, manufacture, market, import, trade install, assemble, heir, repair, erect, service or otherwise deal in electrical, electromechanical, software, hardware, process control and systems, magnetic instrumentation systems, equipment’s, computers, accessories and spareparts.

2. To carry on business of investment company, and to invest the capital and other monies of company and for that purpose to purchase or otherwise acquire, become interested in, deal in, invest in, hold, sell, mortgage, pledge or otherwise dispose of, to turn to account or realise upon, the security of shares, stock units, debentures, debenture stock, bonds, mortgages, obligation and securities of any kind issued or guaranteed by any company corporation or undertaking whether incorporated or otherwise and wheresoever constituted or carrying on business, in shares, stock, debenture, debenture stock, bonds, notes, mortgages, obligations and other securities issued or guaranteed by any government, sovereign

ruler, commissioner, trust, municipal local or other authority or body of whatever nature in India or abroad and to underwrite, sub underwrite, to invest in, and acquire and hold, sell, by or otherwise deal in shares, debentures, debenture stocks, bonds, units, obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities, or Public Authorities or bodies and shares, stocks, debentures, debenture stocks bonds, obligations and securities issued and guaranteed by any company, corporations, firms or person whether incorporated or established in India or elsewhere.”

- (e) The equity shares of the Transferor Company are listed on BSE.

1.2. **Brief of the Transferee Company**

- (a) The Transferee Company (as defined hereunder) is a private limited liability company, incorporated under the provisions of the Companies Act, 1956, bearing corporate identity number U45200MH1993PTC070335, having its registered office at Ground and Third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai 400057, Maharashtra.
- (b) The Transferee Company was originally incorporated as a public limited company under the name and style of “Sheth Developers Limited” on January 6, 1993, which later converted to a private company as “Sheth Developers Private Limited” vide fresh certificate of incorporation dated March 24, 2003 issued consequent to the conversion of the Transferee Company into a private limited company.
- (c) The Transferee Company was incorporated in the State of Maharashtra on January 6, 1993. The details of change in the registered office of the Transferee Company during the last 5 (five) years is as follows:
- (i) From October 25, 2010 to June 30, 2018, the registered office of the Transferee Company was at Sheth House, General A.K. Vaidya Marg, next to Dindoshi Fire Station, opposite Oberoi Mall, Malad East, Mumbai – 400097;
- (ii) From July 1, 2018, the Transferee Company changed its registered office to Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East) Mumbai – 400057.
- (d) The Transferee Company has been incorporated to carry on the business of and with the main object of:
- “1. To carry on business as developers of land, buildings, immovable properties and of real estates by constructing, reconstructing, altering, improving, furnishing and maintaining offices, flats, houses, factories, ware houses, shops, wharves, buildings works and conveniences and by consolidating connecting and sub dividing immovable properties and by leasing and disposing of the same.*
- 2. To carry on business of builders, contractors, erectors constructors of buildings, houses, apartments, structures for residential, industrial, commercial, institutional or Developer of Co operative Housing Societies, developers of housing schemes, townships, holiday resorts, hotels, motels and in particular preparing of building sites, constructing, reconstructing erecting, altering, improving, enlarging, developing, furnishing and maintaining of structures, flats, houses, factories, shops, garages, warehouses, buildings, works, workshops, godowns and conveniences to purchase for development or for resale lands, houses, buildings, structures and other properties of any tenure and any interest and to purchase, sell land or building and give land and/or building and lease, sub lease and to deal in properties.”*

1.3. **Details of the relationship between the Transferor Company and the Transferee Company**

The Transferee Company and the Transferor Company are related parties as the Transferee Company is the promoter of Transferor Company and holds 74.99% equity shares of the Transferor Company.

2. **FACTS, RATIONALE AND BENEFITS OF THE SCHEME**

2.1. This Scheme (as defined hereunder) provides for the merger of the Transferor Company with and into the Transferee Company pursuant to Section 230 read with Section 232 and other relevant provisions of the Act (as defined hereunder) read with the Rules (as defined hereunder) therein, by:

- (a) issuance of redeemable preference shares of the Transferee Company to the equity shareholders of the Transferor Company except to the Transferee Company as per the terms set out under this Scheme;
- (b) dissolution without winding up of the Transferor Company;
- (c) alteration of the memorandum of association of the Transferee Company in the manner provided in this Scheme;'
- (d) the consequent treatment of the Undertakings (as defined hereunder) of the Transferor Company and the Transferee Company, in the manner provided for in this Scheme; and
- (e) various other matters consequential to or otherwise integrally connected with the above.

2.2. **Rationale and Benefits of the Scheme**

- (a) The Transferor Company has been a loss making entity and the Transferor Company's revenue for the year ending 31 March 2019 has been nil. The Transferor Company is primarily, holding investments. This function can easily be carried out by the Transferee Company on its own. This would help by reducing an unnecessary layer and thereby improving transparency. Also, the revenue generation of the Transferee Company has been positive and if these entities are merged as per the Scheme hereunder, the activities of the Transferor Company can be carried out by the Transferee Company.
- (b) Further, since the year 2001, no business activity (other than making of investment) has been undertaken by the Transferor Company. No trading activity has been undertaken on BSE by any of the Shareholders of the Transferor Company. Therefore, notwithstanding the listing of equity shares of the Transferor Company, the shareholders of the Transferor Company have not really enjoyed the benefit of listing in particular, they have not enjoyed any liquidity in respect of their shareholding nor have they enjoyed any significant appreciation in value of their shares. On the other hands, under the Scheme, they will be issued redeemable preference shares of the Transferee Company which will effectively ensure that the shareholders are able to enjoy appreciation in value of investment held by the Transferor Company and will be assured of obtaining liquidity on redemption of preference shares in an assured timeframe or even earlier if an identified market maker is willing to acquire the preference shares. Thus, with this merger, the Transferor Company is unlocking the value of the shares for its Shareholders. Accordingly, if the Transferor Company is merged with the Transferee Company, there will not be any adverse effect on the Shareholders of the Transferor Company. The Scheme will not in any manner be prejudicial to the interest of the concerned shareholders, creditors, employee or key managerial personnel or any stakeholder or general public at large.
- (c) Both the Transferor Company and the Transferee Company have the same key managerial personnel and accordingly the business of the Transferor Company can be merged with the Transferee Company conveniently and can be carried on in conjunction more advantageously and therefore no useful purpose is being served by operating two separate legal entities.
- (d) In the above circumstance, the merger of the Transferor Company with the Transferee Company in accordance with this Scheme and the relevant provisions of the Act, read with the Rules would therefore enable the Parties to utilize the financial resources as well as the managerial, technical, distribution and marketing resources of each other and it would be beneficial for the effective management and

controlled supervision of the Transferee Company, thereby protecting the interest of the Transferor Company.

- (e) Further, the Transferor Company, as on date, owes a liability of only Rs. 23,300 and accordingly, if the Transferor Company is merged with the Transferee Company, the liability of the Transferee Company will increase negligibly and there will not be any adverse effect on the Transferee Company.
- (f) The merger under this Scheme will be beneficial to the Transferor Company and the Transferee Company, in the following manner:
 - (i) facilities such as manpower, office space and other infrastructure could be better utilized by the Transferee Company and duplication of facilities could be avoided resulting in optimum use of facilities to the advantage of the Transferee Company;
 - (ii) employees of the Transferor Company would be provided an opportunity to be gainfully employed by the Transferee Company;
 - (iii) pursuant to the Scheme, the liabilities of the Transferor Company would be duly discharged by the Transferee Company;
 - (iv) the unutilised assets of the Transferor Company could be put to better use by the Transferee Company;
 - (v) the Transferee Company will be able to ensure better turnover and profits and would ultimately contribute substantially to the future business expansion and will be able to exploit the market to the fullest possible extent;
 - (vi) the merger will reduce compliance cost, for example, listing fees, audit fees, for the Transferor Company;
 - (vii) significant reduction in the multiplicity of legal, regulatory reporting and compliances required at present;
 - (viii) balance sheet of the Transferee Company will become stronger;
 - (ix) simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure;
 - (x) the merger will provide significant impetus to the growth of the Transferee Company. The merger will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion of the Transferee Company;
 - (xi) to increase the efficiency of combined business by pooling of resources and their optimum utilisation, thereby availing synergies from combined resources;
 - (xii) to consolidate business for cost control; and
 - (xiii) the Scheme will create enhanced value for shareholders and allow a focused growth strategy which would be in the best interests of all the stakeholders. The restructuring proposed by this Scheme will also provide flexibility to the investors to select investments which best suit their investment strategies and risk profile.

2.3. In view of the aforesaid, the Board (as defined hereunder) of both the Transferor Company and the Transferee Company, the Parties (as defined hereunder) have considered and proposed the merger of the Transferor Company with the Transferee Company as per the terms of this Scheme, pursuant to Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein.

3. **PARTS OF THE SCHEME**

3.1. This Scheme is divided into the following parts:

- (a) **PART I : DEFINITIONS AND INTERPRETATION;**
- (b) **PART II : SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY;**
- (c) **PART III : TERMS OF THE SCHEME;**
- (d) **PART IV : CONSIDERATION, REORGANISATION OF SHARE CAPITAL AND ACCOUNTING TREATMENT;**
and
- (e) **PART V : GENERAL TERMS AND CONDITIONS OF THE SCHEME.**

PART I

DEFINITIONS AND INTERPRETATION

1. Definitions

1.1. In this Scheme, unless the meaning or context otherwise requires (i) terms defined in the recitals and the introductory paragraphs above shall have the same meanings throughout this Scheme; and (ii) the following words or expressions, wherever used, (including in the recitals and the introductory paragraphs above) shall have the following meanings:

- (a) **“Act”** shall mean the Companies Act, 2013, as may be amended from time to time and any statutory modification or re enactment thereof.
- (b) **“Applicable Law”** shall mean any applicable national, local or other laws, statutes, ordinances, regulations, guidelines, policies, order, ruling, judgment and other pronouncements having the effect of laws of the applicable jurisdiction or jurisdictions, as the case may be, enacted, issued or promulgated by Governmental Authority as may be prevalent at the relevant time.
- (c) **“Appointed Date”** means April 1, 2019 or such other date as may be fixed or approved by the NCLT.
- (d) **“Board”** means the board of directors of the Transferor Company or the Transferee Company, as the case may be.
- (e) **“BSE”** means the Bombay Stock Exchange Limited.
- (f) **“Business Day”** shall mean a day (other than a Saturday or Sunday) on which banks are generally open in Maharashtra for carrying on normal business of the banks.
- (g) **“Clause”** means a clause in the Scheme of respective parts.
- (h) **“Designated Stock Exchange”** means the stock exchange which is chosen by the Transferor Company in accordance with the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, and for the purposes of this Scheme, the Designated Stock Exchange shall be BSE.
- (i) **“Effective Date”** means the date on which the certified or authenticated copies of the order(s) sanctioning the Scheme, passed by the NCLT is filed with the ROC. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of the Scheme” or “Scheme taking effect” shall mean the Effective Date.
- (j) **“Funds”** shall have the meaning as ascribed under Clause 1.8(b) of Part III of the Scheme herein.
- (k) **“Governmental Authority”** means any national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission or any non governmental regulatory or administrative authority, body or other organisation to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organisation have the force of law or any court, tribunal, arbitral or judicial body, or any stock exchange of India or any other country.
- (l) **“IT Act, 1961”** shall mean the Income tax Act, 1961, as may be amended from time to time and any statutory modification or re enactment thereof.
- (m) **“NCLT”** means the National Company Law Tribunal constituted under the provisions of the Companies Act, 2013, and exercising jurisdiction therein.
- (n) **“New Preference Shares”** and **“New Preference Share”** shall have the meaning assigned to the term in Clause 3.1 of Part IV of the Scheme herein, and shall have the terms and conditions as provided in **Annexure A** herein.

- (o) **“Person”** shall mean an individual, an association, a corporation, a partnership, a joint venture, a trust, an unincorporated organisation, a joint stock company or other entity or organisation, a government or political subdivision or an agency or instrumentality thereof and/or any other legal entity (in each case, whether or not having separate legal personality).
- (p) **“Party”** means a party to this Scheme and **“Parties”** shall be construed accordingly.
- (q) **“Record Date”** means the date fixed by the Board of the Transferee Company or any committee thereof in consultation with the Transferor Company, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the New Preference Shares in the Transferee Company pursuant to this Scheme, upon coming into effect of this Scheme;
- (r) **“ROC”** shall mean the Registrar, as defined under the Act.
- (s) **“Rules”** mean the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- (t) **“Scheme”** means this scheme of merger in its present form as approved by the Board of the Transferor Company and Transferee Company subject to such modification(s) to this Scheme as the NCLT or any Governmental Authority may impose on the Transferee Company and Transferor Company respectively and such modifications which the Transferor Company and the Transferee Company may deem necessary subject to the approval of the same by the NCLT, and includes recitals, introduction and all parts as divided herein.
- (u) **“SEBI”** means the Securities and Exchange Board of India;
- (v) **“Shareholders”** with reference to the Transferor Company or the Transferee Company shall mean persons holding equity and/or preference shares in the said Transferor Company or the Transferee Company in physical form or in electronic form and whose names are entered and registered as members in the register of members of the said Transferor Company or the Transferee Company or whose names appear as the beneficial owners of the preference and/or equity shares in the records of the depositories as on the Record Date.
- (w) **“Tax Laws”** shall have the meaning assigned to the term in Clause 1.10(ii) of Part III of the Scheme herein.
- (x) **“Transferee Company”** means Sheth Developers Private Limited, having its registered office at Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai 400057, Maharashtra.
- (y) **“Transferor Company”** means Precious Trading & Investments Limited, having its registered office at Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai 400057, Maharashtra.
- (z) **“Undertaking”** means the business of the Transferor Company and includes all the assets of the Transferor Company as on the Appointed Date and all the liabilities of the Transferor Company as on the Appointed Date and without prejudice to the generality of the above, the term **“Undertaking”** shall include following:
- (i) any and all its assets, whether movable or immovable, whether present or future, whether tangible or intangible, in possession or reversion, all rights, title, interests, covenants, undertakings, including continuing rights, title and interests in connection with the land and the buildings thereon, whether leasehold or otherwise, plant and machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and

debts appertaining thereto, and wheresoever situated in India or overseas, and wheresoever situated belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including in particular, but without being limited to fixed assets, capital work in progress, current assets, debts, receivables, investments, software, technologies, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company;

- (ii) any and all investments (including shares and other securities), income by whatever name called, loans and advances, including accrued interest thereon;
- (iii) any and all licenses, approvals, consents, exemptions, registrations, noobjection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, sales tax credits, income tax credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements, applications and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Transferor Company and advantages of whatsoever nature and wheresoever situated, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, licences, tenancy rights, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections & installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefits of all agreements, subsidies, grants, sales tax, turnover tax, excise, permits, quotas, rights, entitlements, tenancies, roof rights, brand, all copyrights, trademarks, service marks, knowhow, technical know how, trade names, descriptions, trading style, franchise, labels, label, designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges and any rights, title or interest in intellectual property rights, benefits of contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, powers and facilities of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled;
- (iv) any and all debts, liabilities, contingent liabilities, duties and obligations, present or future, whether secured or unsecured, of the Transferor Company and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed Date;
- (v) all contracts including but not restricted to leave & licence agreements, term sheets, lease deeds, memorandum of understandings, business/asset purchase agreements, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings whether written or otherwise, lease rights, deeds, bonds, other agreements, applications and instruments of whatsoever nature to which the Transferor Company is a party and having effect immediately before the Effective Date;
- (vi) any and all employees, who are on the pay roll of the Transferor Company, including those engaged at their respective offices and branches, at their current terms and conditions;
- (vii) any pending suit/appeal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against any of the Transferor Company;

- (viii) all the tax liabilities under any applicable laws/ regulations dealing with taxes /duties/levies allocable or related to the business of the Transferor Company;
- (ix) any refunds/ credits/ claims under any tax laws due to the Transferor Company (including but not limited to advance tax, self assessment tax, regular assessment tax and service tax credits);
- (x) policies that the Transferor Company is entitled to, in relation to their operations, and all benefits, entitlements and incentives of any nature whatsoever, including minimum alternate tax credit entitlement;
- (xi) all necessary records, files, papers, computer programmes, websites, domain names, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Transferor Company; and
- (xii) any and all advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, in connection with or relating to the Transferor Company.

1.2. The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, including the Rules and regulations made there under and other applicable laws, rules, regulations, by laws, as the case may be, including any statutory modification or re enactment thereof, from time to time.

2. Interpretation

2.1. In this Scheme, reference to statutory provisions shall be construed as meaning and including references also to any amendment or re enactment for the time being in force or to any provisions replacing such statutory provisions and to all statutory instruments or orders made pursuant to such statutory provisions.

2.2. Unless the context otherwise requires, words denoting the singular shall include the plural and words denoting any gender shall include all genders.

2.3. Reference to a document includes an amendment or supplement to, or replacement or novation of, that document.

2.4. Headings, subheadings, titles, subtitles to clauses, sub clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same.

2.5. Any references in this Scheme to “upon this Scheme becoming effective” shall mean the Effective Date.

2.6. References to days, months and years are to calendar days (unless otherwise specified), calendar months and calendar years, respectively. Where a period expressed in days, weeks, months or years is to be calculated from the moment at which an event occurs or an action takes place, the day during which that event occurs or that action takes place shall not be counted as falling within the period in question. A period expressed in weeks, months or years shall end with the expiry of whichever day in the last week, month or year (as applicable) of such period is the same day of the week (in the case of weeks), or falls on the same date (in the case of months or years), as the day on which the event or action from which the period is to be calculated occurred or took place. If, for a given period expressed in months, the last day of such period does not fall during the last month expressed to be in such period, such period shall end on the last day of that month.

2.7. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of such period is not a

Business Day; and whenever any payment is to be made or action to be taken under this Scheme is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day.

- 2.8. Words “directly or indirectly” mean directly, or indirectly, through one or more intermediary persons or through contractual or other legal arrangements, and “direct or indirect” have the correlative meanings.
- 2.9. If, in calculating a price or an amount, the relevant variables for such calculation are expressed in different currencies, then all such variables for the purposes of such calculation shall be in Rupees in accordance with the Reserve Bank of India’s conversion price as on the Appointed Date.

PART II
SHARE CAPITAL

3. Share Capital

3.1. Transferor Company

- (i) The authorized, issued, subscribed and paid up share capital of the Transferor Company as on September 9, 2019 is as under:

Particulars	Amount (In Rupees)
Authorised Share Capital	
<i>Equity Shares</i>	
2,50,000 equity shares of Rs. 10 each	25,00,000
<i>Preference Shares</i>	
Nil	Nil
Issued, Subscribed and Paid up Share Capital	
<i>Equity Shares</i>	
2,40,000 equity shares of Rs. 10 each	24,00,000
<i>Preference Shares</i>	
Nil	Nil

- (ii) The equity shares of the Transferor Company are listed on BSE;
- (iii) 74.99% equity shares of the Transferor Company are held by the Transferee Company (directly and / or through its nominees) and the remaining equity shares are held by public shareholders;
- (iv) As on date of the Scheme being approved by the Board of the Transferor Company, there shall not be any change or composition in the authorized, issued, subscribed and paid up share capital of the Transferor Company so as to interfere with the valuation of the shares of the Transferor Company.

3.2. Transferee Company

- (i) The authorized, issued, subscribed and paid up share capital of the Transferee Company as on September 9, 2019 is as under:

Particulars	Amount (In Rupees)
Authorised Share Capital	
<i>Equity Shares</i>	
10,00,000 equity shares of Rs. 100 each	10,00,00,000
<i>Preference Shares</i>	
31,00,000 redeemable non cumulative, nonparticipating	
preference shares of Rs. 10 each	3,10,00,000
Issued, Subscribed and Paid up Share Capital	
<i>Equity Shares</i>	
10,00,000 equity shares of Rs. 100 each	10,00,00,000
<i>Preference Shares</i>	
29,77,200 redeemable non cumulative, nonparticipating	
preference shares of Rs. 10 each	2,97,72,000

- (ii) As on date of the Scheme being approved by the Board of the Transferee Company, there shall not be any change or composition in the authorized, issued, subscribed and paid up share capital of the Transferee Company so as to interfere with the valuation of the shares of the Transferee Company.

PART III

TERMS OF THE SCHEME

1. **Transfer:**

With effect from the Appointed Date and upon this Scheme becoming effective, and subject to the provisions of this Scheme, pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, without any further act, instrument or deed, the Undertaking of the Transferor Company shall be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern, so as to become, as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Transferee Company. Without prejudice to the generality of the above, with effect from the Appointed Date and upon this Scheme becoming effective, the Transferor Company shall be merged and transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

1.1. **Transfer of Undertaking:**

Without prejudice to the generality of Clause 1 above, with effect from the Appointed Date and upon this Scheme becoming effective:

- (a) All the immoveable properties of the Transferor Company, if any, including but not limited to land together with the buildings and structures standing thereon, of whatsoever nature and wherever situated, whether freehold or leasehold and all documents of title, rights and easements with relation thereto, offices, factories, sites, laboratories and other immovable property, including accretions and appurtenances, whether or not included in the books of the Transferor Company, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall, under the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and all other applicable provisions, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the assets and properties of the Transferee Company and the concerned authorities having jurisdiction over the assets shall endorse and record the name of Transferee Company in its record so as to facilitate the implementation of the Scheme and vesting of the Undertaking of the Transferor Company in the Transferee Company without hindrance from the Appointed Date. For the avoidance of doubt, it is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall pursuant to section 230 read with section 232 and other relevant provisions of the Act, read with the Rules therein and the provisions of this Scheme, without any further act or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the right, title and interest of the Transferee Company.
- (b) In respect of the assets and properties of the Transferor Company which are moveable in nature including investments and/ or are otherwise capable of transfer by manual delivery and/ or by endorsement and delivery, the same shall be so transferred by the Transferor Company and shall become the assets and properties of, and an integral part of the Transferee Company, without requiring any separate deed or instrument or conveyance pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and all other applicable provisions and upon such transfer the same shall become the property, estate, assets, rights, title interest and authorities of the Transferee Company.

- (c) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as from the Appointed Date, licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (d) All patents, copyrights, designs, trademarks, service marks, know how, technical know how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility models, holograms, bar codes, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licenses, privileges in respect thereof, of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled or which may accrue to the Transferor Company shall, pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and all other applicable provisions, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, all the patents, copyrights, designs, trademarks, service marks, know how, technical know how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility models, holograms, bar codes, patents, copyrights, and industrial or intellectual property rights, licenses and privileges of the Transferee Company and shall remain valid, effective and enforceable by the Transferee Company on the same terms and conditions.
- (e) In respect of any assets other than those dealt with in Clause 1.1(a) and Clause 1.1(b) above, the same shall be transferred to and vested in the Transferee Company, without any notice or other intimation to any Person in pursuance of the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and all other applicable provisions to the extent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Person, as the case may be, that the said assets stand transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- (f) Without prejudice to the aforesaid and Clause 1.5 below, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after this Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any assets set out under Clause 1.1(a), Clause 1.1(b), Clause 1.1(c) and Clause 1.1(e) above, with any party to any contract or agreements to which the Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide the required assistance.
- (g) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions

of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred and vested in the Transferee Company upon this Scheme becoming effective pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, provided however that no onerous asset shall have been acquired by the Transferor Company after the date of filing of the Scheme without the prior written consent of the Board of the Transferee Company.

- (h) Without prejudice to what is stated above, the Transferor Company and the Transferee Company shall execute such documents/ instruments or to do all such acts and deeds, including filing of necessary particulars and / or modifications of charge with the concerned ROC to give formal effect to the above Clauses, if required.
- (i) Without prejudice to what is stated above, upon this Scheme becoming effective, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), of the Transferor Company, pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, shall, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities are listed on any stock exchange, the same shall, subject to Applicable Law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the stock exchanges, unless otherwise modified in accordance with Applicable Law.
- (j) On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

1.2. **Transfer subject to Charges**

The transfer/ vesting as aforesaid shall be subject to charges, hypothecation and mortgages, if any and as may be subsisting, over or in respect of the Undertaking or any part thereof on the Appointed Date. Provided however that, any reference in any security documents or arrangements to which the Transferee Company is party to, the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of Transferor Company, shall be construed as reference only to the assets pertaining to the Undertaking as are vested in Transferee Company by virtue of this Scheme, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of Transferee Company, unless specifically agreed to by Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of Transferee Company, if any.

1.3. **Transfer of Liabilities:**

- (a) With effect from the Appointed Date and upon this Scheme becoming effective, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities including contingent liabilities, duties and obligations and undertakings of the Transferor Company of every kind, nature and description of

whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, pursuant to the sanction of the Scheme by the NCLT and under the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and other applicable provisions, if any, of the Act, without any further act, instrument deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to, and vested in, the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent that they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement, by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.1.3.

- (b) All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- (c) Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- (d) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter company loans, advances and other obligations between the Transferor Company and the Transferee Company, with effect from the Appointed Date.
- (e) The Transferee Company, if necessary, shall take steps for suitable alterations in the memorandum of association so as to enable it to implement this Scheme as may be required.
- (f) Upon this Scheme becoming effective, the benefits of all taxes paid including any advance tax and tax deductions right to carry forward and set off unabsorbed losses, unutilised input tax credits including those lying in the electronic credit ledger, unused tax credits, tax deductions and depreciation by the Transferor Company from the Appointed Date, regardless of the period to which they relate, shall be deemed to be paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company has paid or incurred the same and shall be deemed to be the rights/claims of the Transferee Company.

1.4. **Transfer of Profits and Losses**

With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of the Transferee Company.

1.5. **Transfer of Contracts**

- (a) Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other

instruments, of whatsoever nature and pertaining to the Undertaking of the Transferor Company to which the Transferor Company is a party, subsisting or having effect immediately on the Appointed Date shall be in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effective as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all the formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

- (b) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authority as may be necessary in this behalf.

1.6. Transfer of Legal Proceedings

- (a) On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and/or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- (b) Upon the Scheme becoming effective and subject to the other provisions contained in this Scheme, the Transferee Company shall assume, and shall agree to pay, perform and discharge when due, all liabilities and obligations of the Transferor Company related to or arising out in any manner, pending litigations.
- (c) Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall, wherever necessary, enter into and/or execute all such documents as may be necessary to give formal effect to the provisions of this Clause 1.6.

1.7. Place of vesting

The vesting of the Undertakings shall by virtue of the provisions of this Scheme and the effect of the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, take place at the registered office of Transferee Company.

1.8. Employees

- (a) All the permanent employees, including the key managerial personnel of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. The Transferee Company undertakes to continue to

abide by agreement/settlement, if any, validly entered into by the Transferor Company with any union/ employee of the Transferor Company recognized by the Transferor Company. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company. Subject to this Clause, the Transferee Company shall have the right to transfer such employees to any unit, division, profit/cost centre or department of the Transferee Company situated anywhere in India or abroad if warranted and as may be deemed necessary from time to time.

- (b) The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the “**Funds**”) and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the employees concerned. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and be merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.
- (c) It is clarified that with regard to such employees of the Transferor Company who have ceased to be the employees of the Transferor Company on account of reasons other than any disciplinary action that may have been taken against such employees by the Transferor Company, from the Appointed Date, the Transferee Company shall assume all the responsibilities and obligations of the Transferor Company towards such employees until the said responsibilities and obligations stand duly discharged in law.

1.9. It is clarified that all assets and receivables whether contingent or otherwise of the Transferor Company as on start of business on the Appointed Date whether provided for or not, in the books of accounts and all other assets or receivables which may accrue or arise on or after the Appointed Date but which relate to the period up to the Appointed Date shall be the assets and receivables or otherwise as the case may be of the Transferee Company.

1.10. **Treatment of taxes paid by the Transferor Company**

- (i) This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) and other relevant provisions of the IT Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions of the IT Act, 1961, at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the IT Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the IT Act, 1961.
- (ii) Any tax liabilities under the IT Act, 1961, applicable value added tax legislations, applicable service tax legislations including goods and services tax, stamp laws as amended from time to time or other applicable laws/regulations (hereinafter in this Clause referred to as “**Tax Laws**”) dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Companies to the extent not provided

for or covered by appropriate tax provisions in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.

- (iii) All taxes (including but not limited to income tax, service tax, value added tax, and goods and service tax) paid or payable by the Transferor Companies in respect of the operations and / or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, service tax, value added tax, goods and service tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall in all proceedings, be dealt with accordingly.
- (iv) Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the different Tax Laws other tax laws, and to claim refunds and/or credit for taxes paid (including minimum alternate tax, tax deducted at source, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- (v) All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- (vi) Any refund under the Tax Laws received by/due to the Transferor Company consequent to the assessments made on the Transferor Company subsequent to the Appointed Date and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- (vii) Without prejudice to the generality of the foregoing, all benefits including but not limited to benefits relating to all Tax Laws, to which the Transferor Company is entitled in terms of the applicable Tax Laws under the State and/or Central Government, shall be available to and vest in the Transferee Company.
- (viii) Further, any tax deducted at source by Transferor Company or the Transferee Company on transactions with the Transferee Company / Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (ix) The obligation for the deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with or by the Transferee Company.
- (x) All taxes, levies, cess etc. (whether direct or indirect) that might have been paid by the Transferor Company (whether before the Appointed Date or after the Appointed Date) during the period when the merger has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

1.11. **Concluded Matters**

The transfer and vesting of the assets and the liabilities in the Transferee Company and the continuance of contracts or proceedings by or against the Transferee Company as provided in this Scheme shall not affect any contract or proceedings relating to the assets and the liabilities, fully performed and completed by the Transferor Company before the Appointed Date and the Transferee Company accepts and adopts all such acts, deeds, matters and things done and/or executed by the Transferor Company in this regard.

1.12. **Dissolution of the Transferor Company**

Upon this Scheme becoming effective, with effect from the Appointed Date, the Transferor Company shall stand dissolved without being wound up, and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved, by the order of the NCLT.

1.13. **Cancellation of shares of the Transferor Company**

Upon the Scheme coming into effect, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that only New Preference Shares shall be issued by the Transferee Company to other existing shareholders against the value of the equity shares held by them in the Transferor Company.

2. **Conduct of business till Effective Date**

2.1. With effect from the Appointed Date and upto and including the Effective Date:

- (a) the Transferor Company shall be deemed to have been carrying on and shall carry on all its business(es) and activity(ies) and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date;
- (b) the Transferor Company shall carry on its business and activities with reasonable diligence, business prudence in the ordinary course of business and shall not, without the prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose off any of its units/undertakings or any part thereof except pursuant to any pre existing obligation undertaken by the Transferor Company prior to the Appointed Date;
- (c) all the profits or income accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company shall pursuant to coming into effect of the Scheme for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure, as the case may be, of the Transferee Company.

2.2. Save as provided for in this Scheme, the Transferor Company shall not make any change in its capital structure either by any increase (by fresh issue of equity shares whether by way of public issue, private placement, on a rights basis, or issuance of bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub division or consolidation, re organisation, or in any other manner which may, in any way, affect the operation of the Scheme, except by mutual consent of the respective Boards of the Transferor Company and Transferee Company. The Transferor Company shall not change its shareholding in any manner except by the consent of the Board of the Transferee Company.

2.3. The Transferor Company shall also be entitled, pending the sanction of the Scheme, to apply to the Governmental Authority, as are necessary for such consents, approvals and sanctions which the Transferee Company may require.

2.4. The Transferee Company shall carry on the business of the Transferor Company after the Effective Date.

PART IV

CONSIDERATION, REORGANISATION OF SHARE CAPITAL, ACCOUNTING TREATMENT AND

TREATMENT OF TAXES

3. Consideration

3.1. Upon this Scheme becoming effective, in consideration of the transfer of and vesting of the Undertakings in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot, a total of 7,38,96,930 unlisted, 10%, redeemable, cumulative, non participating and non convertible preference shares of Rs. 10 each, credited as fully paid up, to the extent indicated below, to the equity shareholders of the Transferor Company other than the Transferee Company, holding fully paid up equity shares of the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company in the following proportion:

For equity shareholders of the Transferor Company other than the Transferee Company:

“1231 unlisted, 10%, redeemable, cumulative, non participating and non convertible preference shares of Transferee Company of Rs. 10/ each fully paid up for one equity share of the Transferor Company of Rs. 10/ each fully paid up”

(The preference shares to be issued as above are hereinafter collectively referred to as “**New Preference Shares**”, and individually as “**New Preference Share**”).

- 3.2. No coupons shall be issued in respect of fractional entitlements, if any, by the Transferee Company, to the equity shareholders of the Transferor Company at the time of issue and allotment of New Preference Shares under Clause 3.1 above. In case any equity shareholder's holding in the Transferor Company is such that the shareholder becomes entitled, pursuant to Clause 3.1 above, to a fraction of New Preference Shares of the Transferee Company, the Transferee Company shall round off the said entitlement to the nearest integer and allot New Preference Shares accordingly.
- 3.3. The New Preference Shares to be issued and allotted as provided in Clause 3.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank above in all respects with the then existing preference shares and future preference shares of the Transferee Company after the Record Date including with respect to dividend, redemption, liquidation, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.
- 3.4. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of the New Preference Shares to the Shareholders of the Transferor Company other than the Transferee Company.
- 3.5. In the event of there being any pending share transfer, whether lodged or outstanding, the Board or any committee of Transferee Company shall be empowered even subsequent to the Record Date, to effectuate such transfer as if such changes in the registered holder were operative from the Record Date.
- 3.6. The New Preference Shares issued pursuant to Clause 3.1 above, which the Transferee Company is unable to allot due to Applicable Laws (including, without limitation, the nonreceipt of approvals of Governmental Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Transferee Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Transferee Company including to enable allotment and sale of such New Preference Shares to a trustee nominated by the Transferee Company

in that behalf who shall sell or redeem such shares at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, and thereafter make distributions of the net sales proceeds in lieu thereof (after the deduction of taxes and expenses incurred) to the eligible shareholders of the Transferor Company, in proportion to their entitlements. If the above cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of the Scheme and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Transferee Company shall execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated therein.

- 3.7. In the event that the Parties restructure their equity share capital by way of share split /consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio provided in Clause 3.1 above and the stock options, restricted stock units and / or share appreciation rights as per Clause 3.1 above, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 3.8. The issue and allotment of the New Preference Shares to the holders of equity shares as provided in this Scheme shall be deemed to be due compliance of the provisions of Section 55, 62 and Section 42 of the Act and other relevant and applicable provisions of the Act and rules made there under for the issue and allotment of the New Preference Shares issued by the Transferee Company to the equity shareholders of the Transferor Company other than the Transferee Company, as provided in this Scheme.
- 3.9. Upon this Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled and shall be deemed to be cancelled without any further act, deed or application. It is clarified that only New Preference Shares shall be issued by the Transferee Company to other existing shareholders against the value of the equity shares held by them in the Transferor Company.

4. Reorganisation of Share Capital

- 4.1. Upon this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including filing of statutory forms with the ROC and payment of stamp duty and fees payable to the ROC, by the authorized share capital of the Transferor Company as on the Effective Date, as such fees and duties in respect of such authorized share capital of the Transferor Company have already been paid by the Transferor Company, the benefit of which stands vested in the Transferee Company upon this Scheme becoming effective and no separate procedure or further resolution under Section 55 and 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- 4.2. The memorandum of association and articles of association of the Transferee Company (clause relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 230 to Section 232 of the Act read with Sections 13, 14, 55, 61, 62 and 64 of the Act and other applicable provisions of the Act as the case may be. It is clarified that the approval of the equity and preference shareholders of the Transferee Company to the Scheme shall be deemed to be their consent/approval also to the consequential alteration of the memorandum of association of the Transferee Company and the Transferee Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the memorandum of association of the Transferee Company as required under Sections 13, 14, 55, 61, 62 and 64 of the Act and other applicable provisions of the Act.
- 4.3. Upon this Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled and shall be deemed to be cancelled without any further act, deed or application. Only New Preference Shares shall be issued by the Transferee Company to other existing shareholders of the Transferor Company against the value of the equity shares held by them in the Transferor Company.

5. **Accounting treatment**

- 5.1. The Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme (including in respect of transfer of the Undertakings as per the Scheme, assets and liabilities of Transferor Company, issuance of shares to shareholders of Transferor Company and difference, if any, between the value of net assets and shares issued) in its books in accordance with principles as laid down in the applicable accounting standards, including the applicable provisions of the Act, and generally accepted accounting principles in India.
- 5.2. To the extent that there are inter company loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case maybe and there would be no accrual of interest or any other charges in respect of such inter company loans, deposits or balances, with effect from the Appointed Date, and shall be accounted in accordance with Clause 5.1 above.
- 5.3. In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the free / general reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policies.
- 5.4. The surplus / deficit arising in the books of accounts as a result of the difference of the value of the assets over the value of the liabilities of the Transferor Company and the consideration for the transfer under this Scheme, shall be accounted for as per the principles laid down in the applicable accounting standards, including the applicable provisions of the Act, and generally accepted accounting principles in India.

PART V

GENERAL TERMS AND CONDITIONS

6. Applications/Petitions to the NCLT and Approvals

The Parties shall dispatch, make and file all applications and petitions under Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, before the NCLT, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Laws, and shall apply for such approvals as may be required under Applicable Laws and for dissolution of the Transferor Company without being wound up. The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company may require to own the assets and/ or liabilities of the Transferor Company and to carry on the business of the Transferor Company.

7. Declaration of dividend and rights of Shareholders

7.1. Nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its Shareholders as on the respective Record Date for the purpose of dividend and the Shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the Effective Date. On and from the date of filing this Scheme with the NCLT and until the Effective Date, the Transferor Company shall declare dividend only after prior consultation with the Transferee Company.

7.2. Upon this Scheme becoming effective, the Shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing rights under their respective articles of association.

7.3. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

8. Validity of existing resolutions, etc.

Upon this Scheme becoming effective, the resolutions of the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

9. Amendment of Memorandum of Association of the Transferee Company

Clause V of the memorandum of association of the Transferee Company shall, as a part of and, upon this Scheme becoming effective and without any further act or deed, be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs. 88,35,00,000/ (Rupees Eighty Eight Crores Thirty Five Lakhs Only) divided into 10,25,000 Equity Shares of Rs. 100/ each and 31,00,000 Redeemable Non Cumulative, Non Participating Preference shares of Rs. 10/ each and 7,50,00,000 Cumulative and Redeemable Non Participating Preference shares of Rs. 10/ each. The Company has power from time to time to increase or reduce the capital and to issue any of the share in the capital, original in increased or ordinary or preferred with

or subject to any preferential, special, deferred or qualified rights, privileges or conditions, as regards payment of dividends, distribution of assets, repayments or reduction of capital, voting or otherwise or sub divide them and generally on such terms as the Company may from time to time by special resolution determine and to vary the regulation of the Company as far as necessary to give effect to the same, subject to the provisions of laws.”

It is clarified that for the purposes of this Clause 9, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment in the objects of the Transferee Company, and shall be deemed to include consent under any other provisions of the Act that may be applicable and no further resolution under any provision of the Act including Section 13 of the Act would be separately required. The Transferee Company shall file the requisite e forms with the ROC for alteration of its memorandum of association.

10. Modification of the Scheme

- 10.1. The Transferor Company and the Transferee Company by their respective Boards or any director/executive authorized in that behalf, may assent to, or make, from time to time, any modifications(s) or addition(s) to this Scheme which the NCLT or any authorities under law may deem fit to approve of or/impose and which the Board of the Transferor Company and the Transferee Company may in their discretion accept such modification(s) or addition(s) as the Boards of the Transferor Company and the Transferee Company, as the case may be, their respective delegate deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out of this Scheme. The Transferor Company and the Transferee Company by their respective Boards or delegates, are authorized to do and execute all acts, deeds, matters and things necessary, waive any such conditions (to the extent permissible under law) for bringing the Scheme into effect, and/or give such consents as may be required in terms of the Scheme.
- 10.2. For the purpose of giving effect to the Scheme or to any modification(s) thereof or addition(s) thereto, the respective delegates (acting jointly) of the Transferor Company and the Transferee Company may give and are authorized to determine and give all such directions as are necessary for settling or removing any questions of doubt or difficulty that may arise under the Scheme or in regard to the meaning or interpretation of any provision of the Scheme of implementation thereof, or in any matter whatsoever connected therewith (including any question or difficulty rising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the Transferor Company) or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all the Parties, in the same manner as if the same were specifically incorporated in the Scheme. For avoidance of doubt, it is clarified that where the Scheme requires the approval of the Boards of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their delegates.

11. Conditions Precedent

The Scheme is conditional upon and shall be subject to the following:

- 11.1. Approval of the Scheme by the requisite majority in value of various classes of the members (where applicable) and such class of creditors and/or persons of the Transferee Company and the Transferor Company as may be directed by the NCLT on applications made for directions under Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and under Applicable Laws;
- 11.2. The NCLT having accorded its approval to the Scheme;
- 11.3. Approvals and sanctions from the Designated Stock Exchange including but not limited to the no objection required to be obtained from the Designated Stock Exchange as per the provisions of the SEBI Circular (CFD/DIL3/CIR/2017/21) dated March 10, 2017 issued by SEBI and as amended by the SEBI Circular (CFD/DIL3/CIR/

2018/2) dated January 3, 2018, and as may be required under any other circular or direction issued by SEBI in respect of this Scheme;

- 11.4. The Scheme is conditional upon it being approved by the public shareholders of the Transferor Company through e voting in terms of para 9 (a) of part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are atleast two times the number of votes cast by public shareholders against it;
- 11.5. Approvals from the lenders / creditors / debenture holders of the Transferor Company and the Transferee Company (as the case may be) as per the contractual arrangement with them;
- 11.6. Such other sanctions, permissions, consents and approvals as may be required by the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and any other law in respect of the Scheme;
- 11.7. The authenticated or certified copies of the order of the NCLT approving the Scheme being filed with the ROC.

12. **Designated Stock Exchange**

- 12.1. The Designated Stock Exchange for interaction with SEBI shall be the BSE.

13. **SEBI Compliances**

- 13.1. Since the Transferor Company is a listed company, this Scheme is subject to the compliances by the Transferor Company of all the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other regulations and directives as are issued by SEBI with respect to the sanction or implementation of the Scheme.
- 13.2. The Transferor Company is subject to the directives issued by SEBI under the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended by the subsequent SEBI Circular CFD/DIL3/CIR/2018/2 dated January 3, 2018.

14. **Severability**

- 14.1. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and/ or the Transferee Company, then in such case the Transferor Company and/ or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company, the benefits and obligations of the Scheme, including but not limited to such part.
- 14.2. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

15. **Effect of non receipt of approval/sanction**

In the event of any of the said sanctions and approvals referred to in Clause 11 above not being obtained and/ or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed as aforesaid before or within such further period or periods as may be agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)) or for any other reason this Scheme cannot be made effective, this Scheme shall stand revoked, cancelled, be of no effect and be null and void. No rights and liabilities shall accrue to or be incurred inter se by the Parties in terms of the Scheme, save and

except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in Applicable Law. Further the Boards of Directors of the Transferor Company and Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such Boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have serious financial implication on the Transferor Company and/or the Transferee Company or any of the aforesaid companies. And in case of any of the aforesaid events, each Party shall bear their respective costs, charges and expenses in connection with this Scheme.

16. Costs, charges, expenses and stamp duty

All costs, charges and expenses (including taxes and duties) incurred or payable by each of the Transferor Company and Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the merger of the Transferor Company in pursuance of the Scheme, including stamp duty on the orders of the NCLT, if any, shall be borne and paid by the Transferee Company.

17. No cause of action

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

ANNEXURE A

TERMS AND CONDITIONS OF NEW PREFERENCE SHARES

Sr. No	Particulars	Terms and Conditions
1.	Title of New Preference Shares	The New Preference Shares to be called as “Cumulative and Redeemable Non Participating Preference Shares”
2.	Face Value	Each New Preference Share will have the face value of Rs.10/ (Rupees Ten only).
3.	Nature of the New Preference Shares	Unlisted, Redeemable, Cumulative, Non-Participating and Non -Convertible Preference Shares
4.	Dividend and Repayment Clause	(i) Carry a preferential right via a vis equity shares of the Transferee Company with respect to payment of dividend and repayment in case of winding up or repayment of capital; (ii) Dividend shall be cumulative and paid every year; (iii) Further, New Preference Shares shall have a rank above the current and future preference shares for the following: payment of dividend, redemption and liquidation.
5.	Participation in Surplus Fund	New Preference Shares shall be non participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.
6.	Rate of Dividend	10% per annum Cumulative
7.	Redemption of New Preference Shares	The redemption of New Preference Shares shall be in the following manner:

Sr. No	Particulars	Terms and Conditions
		<p>(i) The tenure of New Preference Shares is 15 years from the date of allotment or as varied after due approval of preference shareholder(s) as required under the Applicable Law;</p> <p>(ii) Subject to the provisions of the Applicable Law, at the end of 5th and 10th year from the issuance and allotment of the New Preference Shares herein, each holder of the New Preference Shares shall be entitled to apply for redemption of their New Preference Shares, on a first come first serve basis, provided the total number of the New Preference Shares which are redeemed at the end of 5th year and 10th year should on each occasion not exceed 33.333% of the total number of New Preference Shares issued under this Scheme.</p> <p>(iii) At the expiry of 15 years from the date of allotment of New Preference Shares, the remaining New Preference Shares shall be redeemed by the Transferee Company, subject to the provisions of the Applicable Law;</p> <p>(iv) Redemption premium in all the cases of redemption shall be nil.</p>
8.	Conversion Clause	Non Convertible
9.	Voting rights	New Preference Shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013
10.	Transferability	Subject to the terms of New Preference Shares and Applicable Law, holders of New Preference Shares shall be entitled to assign or transfer their rights and obligations in the New Preference Shares allotted to them.
11.	Exit Option to holders of New Preference Shares	<p>The Transferee Company will make reasonable efforts to appoint a third party who is willing to purchase either by itself or make arrangement for prospective investors who will purchase the New Preference Shares issued and allotted to the Shareholders of the Transferor Company pursuant to this Scheme. The said third party, if appointed by the Transferee Company, may choose to buy whole or part of the New Preference Shares allotted under this Scheme. In case of part purchase, every holder of New Preference Shares shall be given an option to sell proportionate New Preference Shares held by them. The price at which such sale may happen shall not be less than the price at which the New Preference Shareholders were to be redeemed as per the provisions of the Applicable Law on the date when such sale would be consummated. The said third party shall have the same rights and obligations as the holders of New Preference Shares had before such sale. The holders of New Preference Shares who are keen to sell their respective New Preference Shares may be required to give relevant representations and warranties in this regard, including title, encumbrance on such preference shares. It is hereby clarified that the aforementioned is not an obligation on the Transferee Company.</p>

**Determination of Share Entitlement Ratio for the purpose of merger of
Precious Trading & Investments Limited with and into
Sheth Developers Private Limited**

Prepared by:

Paras K. Savla

Registered Valuer

Asset Class – Securities or Financial Assets

505, Rajhans, Gaodevi Road,

Thane 400602

September 07, 2019

The information contained herein is of a confidential nature and is intended for the exclusive use of the persons for whom it was prepared



Date: 07.09.2019

To,
The Board of Directors
Sheth Developers Private Limited
Ground and Third Floor, Prius Infinity,
Paranjape B Scheme, Subhash Road,
Vile Parle (East) Mumbai – 400057

The Board of Directors
Precious Trading & Investments Limited
Ground and Third Floor, Prius Infinity,
Paranjape B Scheme, Subhash Road,
Vile Parle (East) Mumbai – 400057

Dear Sirs,

Sub: Determination of share entitlement ratio for the proposed scheme of arrangement between "Precious Trading & Investments Limited" and "Sheth Developers Private Limited".

I have been appointed to undertake valuation of Sheth Developers Private Limited ("SDPL" or "Transferee company") and Precious Trading Investments Limited ("PTIL" or "Transferor company") (collectively referred to as "companies") for recommending the share entitlement ratio in this report ("Report") for the proposed scheme of arrangement ("The Scheme") as on March 31, 2019 ("valuation date"), as required under Section 230 read with Section 232 and other relevant provisions of the Companies Act 2013 and as per SEBI circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in accordance with the terms of engagement.

1. Brief Background of Transferor Company [PTIL]

- The Transferor Company is a listed public limited liability company, incorporated under the provisions of the Companies Act, 1956, bearing corporate identity number L51900MH1983PLC029176, having its registered office at Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East) Mumbai - 400057, Maharashtra.
- The Transferor Company was incorporated under the name and style of "Precious Trading & Investments Limited" on January 24, 1983 and the equity shares of the Transferor Company are listed on the Bombay Stock Exchange ("BSE"). It is, inter alia, engaged in the business of investing in other companies.
- Capital Structure as on March 31, 2019.

Particulars	Rs.
<i>Authorised Share Capital</i>	
2,50,000 equity shares of Rs 10 each	25,00,000
<i>Issued Share capital</i>	
2,40,000 equity shares of Rs 10 each	24,00,000



- Shareholding Pattern as on March 31, 2019.

Particulars	No. of equity shares held	% of holding
Promoters holding		
Sheth Developers Private Limited	1,79,970	74.99
Public holding	60,030	25.01
Total shareholding	2,40,000	100.00

- PTIL's investments include equity shares in Sheth Developers and Realtors (India) Limited ("SDRIL") and in Sheth Shelters Private Ltd ("SSPL"). The company also holds preference shares in SSPL.

2. Brief Background of Transferee Company [SDPL]

- The Transferee Company is a private limited liability company, incorporated under the provisions of the Companies Act, 1956, bearing corporate identity number U45200MH1993PTC070335, having its registered office at Ground and Third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai - 400057, Maharashtra.
- The Transferee Company was originally incorporated as a public limited company under the name and style of "Sheth Developers Limited" on January 6, 1993, which later converted to a private company as "Sheth Developers Private Limited" vide fresh certificate of incorporation dated March 24, 2003, issued consequent to the conversion of the Transferee Company into a private limited company.
- The Transferee company, inter alia, is engaged in the business of builders, contractors, erectors constructors of buildings, houses, apartments, structures for residential, industrial, commercial, institutional or Developer of Co-operative Housing Societies. The company has certain operating real estate projects as well as several downstream investments in subsidiaries and associates.
- Capital Structure as on March 31, 2019.

Particulars	Rs. in lakhs
<i>Authorised Share capital</i>	
10,00,000 Equity Shares of Rs. 100/- each	1,000
31,00,000 6% Redeemable Non-Cumulative Non-Participating Preference Shares of Rs 10/- each	310
<i>Issued Share capital</i>	
10,00,000 Equity Shares of Rs. 100/- each	1,000
29,77,200 Preference shares of Rs 10/- each	297.72



- SDPL's major investments include investment in equity shares of Precious Trading & Investments Limited ("PTIL"), Sheth Infrastructure Private Limited (SIPL), Sheth Estate (International) Limited (SEIL) and in ShethShelters Private Ltd ("SSPL").
- The Transferee Company and the Transferor Company are related parties as the Transferee Company is the promoter of Transferor Company and holds 74.99% of the equity share capital of the Transferor Company.

3. Valuation Background and Purpose

- I have been informed that the Board of Directors of the both companies are considering a scheme of arrangement for merger of PTIL with and into SDPL with effect from "April 01, 2019" ("Appointed Date") in accordance with the provisions of section 230 to 232 of Companies Act, 2013, Section 2(18) of the Income Tax Act, 1961 and other applicable provisions subject to necessary approvals.
- SDPL is the holding company of PTIL and holds 74.99% of the equity share capital of PTIL.
- In consideration of the merger of PTIL with and into SDPL, 10% Redeemable Cumulative Non-Participating Preference Shares of Rs 10/- each of SDPL would be issued to equity shareholders of PTIL, except SDPL, in exchange for its equity share in PTIL.

4. Sources of Information

For the purpose of valuation exercise, we have relied upon the following sources of information as provided to us by the management of the company

- (a) Audited Financial Statements of PTIL for the period ended March 31, 2019.
- (b) Audited financial statements of SDPL as on March 31, 2019.
- (c) Audited Financial statements of its investment companies SSPL and SDRIL as on March 31, 2019
- (d) Valuation report dated 19.01.2019 of SDRIL as on December 31, 2018, issued by R V Shah and Associates, Chartered Accountants.
- (e) Draft scheme of arrangement
- (f) Discussions with management and including Management Representation Letter dated 04.09.2019.
- (g) Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern and other relevant information and data, including information in the public domain.
- (h) Such other information and explanations as we have required and which have been provided by the Management.
- (i) Discussions with the Management on various issues relevant for the valuation including the prospects and outlook for the industry expected growth rate and other relevant information.



- (j) Such other information and explanations as we have required and which have been provided by the Management.

The Management has been provided with the opportunity to review the Draft Report (excluding the recommended Share Exchange Ratio) as a part of our standard practice to make sure that factual inaccuracies/omissions are avoided in our final report.

5. Valuation Base

As per Indian Valuation Standard 102 issued by The Institute of Chartered Accountants of India, Valuation Base means the indication of the type of value being used in engagement. In this engagement, Fair Value as determined shall be considered as the valuation base.

6. Valuation Approach

- i. The valuation exercise involves selecting a method suitable for the purpose of valuation, by the exercise of judgment by the valuer, based on the facts and circumstances as applicable to the business of the company to be valued.
- ii. As mentioned earlier, the present valuation exercise is being undertaken in order to derive the fair share entitlement ratio for the purpose of the merger of PTIL with SDPL.

7. Valuation Methodology

- i. Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can, therefore, be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness. The International Accounting Standard Board (IASB), which is the independent standard setting body of the IFRS Foundation, has set out two internationally accepted valuation methodologies for arriving at the fair value of a share namely, the income approach and the market approach.
- ii. For the purpose of determining fair value, a valuer may, therefore, use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each valuation.
- iii. The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for the choice of approach used based on the facts of the company.

(A) Market Approach

Under this approach the valuation is done on the basis of the quoted market price of the



company in case it is a publicly-traded company, or publicly traded comparable businesses / date is reviewed in order to identify a peer group similar to the subject company and then their multiples are applied to the entity being valued to determine the fair value. Usually under the market-based approach, the methods that maybe applied are Market Price Method, Comparable Multiple Method (CMM), Comparable Transaction Method (CTM) or Price of Recent Investment Method (PORI). Under CMM method various multiple like EV/Sales, EV/EBITDA, P/BV P/E, Price/Sales can be used to value a business depending upon the facts and circumstances of the cases.

In the present case, although PTIL is a listed entity on BSE, it is not frequently and actively traded in the open market. Hence, the value per share of PTIL based on the market price is not considered. As the company does not have an established track record, all the key financial indicators are not completely reliable for valuation purpose thus, a steady state of operations and profitability was not achieved as on valuation date. Accordingly, the Market Approach was not considered appropriate for the determination of the fair value of the business.

(B) Asset Approach

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company. Usually, under the asset-based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

PTIL is a relatively non-operating company with the major assets being an investment in the equity shares and preference shares of companies, hence the Net Asset Approach was considered appropriate for valuation of share of PTIL.

(C) Income Approach

Usually, under the Income-Based Approach, the methods that maybe applied are Discounted Cash Flow (DCF) Method or the Price Earning Capacity Value (PECV) Method.

Under DCF approach, the future free cash flows of the business are discounted to the valuation date to arrive at the present value of the cash flows of the business or capitalized using a discount rate depending on the capital structure of the company. This approach also takes into account the value of the business in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

Under PECV method, the average earning on the basis of the past 3-5 year are first determined, adjustments are then made for any exceptional transactions or items of non-recurring nature. The adjusted average earnings are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided



depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc. Under PECV method of valuation the average earning of 3-5 years is adjusted for any exceptional transaction or items of non-recurring nature. After this, the normalized earnings are then capitalized at an appropriate discount rate.

The management of PTIL is of the view that since PTIL is mainly an investment company and is a relatively non-operating company, it is not possible to ascertain future cash flows. In absence of future cash flows, Discounted Cash Flow method of valuation is not adopted.

8. Recommendation of Fair Share Entitlement Ratio for the proposed scheme of arrangement

- i. Our exercise is to work out the relative value of shares to facilitate the determination of a fair share entitlement ratio.
- ii. The fair share entitlement ratio has been arrived at on the basis of an equity valuation of the Transferor Company based on the approach/method explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to the information bases, key underlying assumptions and limitations
- iii. SDPL holds 74.99% of the equity share capital of PTIL and accordingly, and 10% Redeemable Cumulative Non-Participating Preference Shares of Rs 10/- each will be issued to outside shareholders.
- iv. In the ultimate analysis, the valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors. E.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions. For example, Viscount Simon Bd in Golo Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 2019 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the share, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is art, not an exact science. Mathematical certainty is not demanded nor indeed is it possible."

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, a share entitlement



In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, a share entitlement ratio of 1,231:1 shall be considered as fair. Hence, 1,231 10% Redeemable Cumulative Non-Participating Preference Shares of Rs 10/- each of SDPL will be issued to the shareholders of PTIL for every 1 share of PTIL.

This conclusion is subject to the Statement of Assumptions and Limiting Conditions stated in Annexure-II. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.

In accordance with my standard practice, the Management has been provided with an opportunity to review factual information in my draft Certificate to ensure that factual inaccuracies, omissions etc. are avoided in my final Certificate. I state that I am independent of the shareholders, directors and management of SDPL and PTIL and do not have any financial association with the shareholders, directors and management of SDPL and PTIL other than receipt of fees in connection with the professional services provided. My fee for the engagement is not contingent upon the results reported.



Paras K. Savla
Registered Valuer

Reg. No. IBBI/RV/06/2018/10102

UDIN: 19105175AAAAC05647



Encl.

1. Annexure-I - Valuation Summary
2. Annexure-II - Statement of Assumptions and Limiting Conditions



Annexure I - Valuation Summary

Determination of fair share entitlement ratio

Particulars	Value
Value per equity share of PTIL (A)	12,311
Value per preference share of SDPL (B)	10
Fair Entitlement Ratio (A/B)	1,231 : 1

1. Value per equity share of PTIL:

Valuation Approach	Value	Weights (%)	Value per share
Asset Approach	12,311	100	12,311
Income Approach	N.A	-	-
Market Approach	N.A	-	-
Relative Value per share of PTIL			12,311

Value per share is calculated as per the NAV method based (Asset Approach) based on the audited financial statements as on 31.03.2019.

Particulars	Note	Rs. in lakhs
Investments		
i. 1,37,70,000 Equity Shares of SDRIL	1	28,543.83
ii. 1 Equity Share of SSPL (at cost)	2	-
iii. 4,38,400 6% Redeemable Non-Cumulative Non Participating Preference shares of SSPL of Rs 10 each and Rs 190 premium	3	876.80
Cash and Cash equivalents		0.75
Inter-company advance -SDPL		126.50
Trade Payables		(0.43)
Short Term Provisions		(0.23)
Equity Value		29,547.27
No of outstanding shares		2,40,000
Value per share of PTIL (Rs. / share)		Rs.12,311.36 rounded off to Rs.12,311

Notes:

For obtaining the fair value of investments made by PTIL, separate and independent valuation of each component of the investment is required.

1. Sheth Developers and Realtors (I) Ltd is an associate company of PTIL. I have been informed that SDRIL has filed an application for Capital Reduction and same is pending before Hon'ble Mumbai NCLT. The fair value of investment in equity shares of SDRIL has not been valued by the registered valuer as on the valuation date. However, SDRIL has obtained a valuation report dated 19.01.2019 on the fair value of its equity shares from "R V Shah and Associates, Chartered Accountants" as on 31.12.2018. Valuation is based on DCF method of valuation which seems reasonable. Said valuation report was issued for the purpose of capital



reduction and considering this fact, investment in SDRIL has been valued at the same value i.e. Rs. 207.29, as provided in the above-referred valuation report.

2. Since the investment is of only 1 equity share in SSPL, the same is considered as immaterial and is valued at cost.
3. PTIL has invested in 4,38,400 6% Redeemable Non-Cumulative Non Participating Preference shares of SSPL of Rs 10 each and Rs 190 premium. The same represents the recoverable amount of redemption. Accordingly, the value of the investment is considered as Rs. 200 per preference share.

B. Value per preference share of SDPL:

SDPL will issue 10% Redeemable Cumulative Non-Participating Preference Shares of Rs 10/- each redeemable at par. Hence the value of the new preference share to be issued by SDPL is considered as Rs.10 per share.



Annexure-II - Assumptions and Limiting Conditions

This valuation is subject to the following assumptions and limiting conditions:

1. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value.
2. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and should not be used out of the context presented herein.
3. I assume no responsibility for the legal matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable.
4. The business interest and subject business assets have been appraised free and clear of any liens or encumbrances unless stated otherwise. No hidden or apparent conditions regarding the subject business assets or their ownership are assumed to exist.
5. Public information, estimates, industry and statistical information present in this report have been obtained from sources considered to be reliable. However, I have not independently verified such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
6. The Company and its representatives warranted to me that the information they supplied was complete and accurate to the best of their knowledge and that the financial statement information reflects the Company's results of operations and financial condition in accordance with generally accepted accounting principles unless otherwise noted. Information supplied by management has been accepted as correct without further verification, (and I express no opinion on that information).
7. The various estimates of value presented in this report apply to this valuation only and may not be used out of the context presented herein. This valuation is valid only for the purpose specified herein.
8. The valuation contemplates facts and conditions existing and known to us as of the valuation date. Events and conditions occurring after that date have not been considered, and I have no obligation to update my report for such events and conditions.
9. My engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.
10. I have assumed that there is full compliance with all applicable Central, state, and local regulations and laws on the part of the company.



11. The analyst, by reason of this valuation, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
12. Any person/party intending to provide finance/invest in the shares/convertible instruments/business of the company shall do so after seeking their own professional advice after carrying out their own due diligence procedures to ensure that they are making an informed decision.
13. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management/Board of Directors and my work and my finding shall not constitute a recommendation as to whether or not the Management / the Board of Directors should carry out the transaction.
14. The fair value expressed in the report is an independent evaluation of available financial data, information and statistics and data supplied by management. It is an independent professional judgment based on the historical financial data, current market trend and future outlook. I undertake no liability on this account from any person or entity whatsoever.
15. This report is meant for the purpose mentioned above and should not be used for any other purpose other than the purpose mentioned herein. This report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall I assume any responsibility to any third party to whom the report is disclosed or otherwise made available.



Paras K. Savla
Registered Valuer

STRICTLY PRIVATE AND CONFIDENTIAL

September 25, 2019

To,
The Board of Directors
Sheth Developers Private Limited
Ground and Third Floor, Prius Infinity,
Paranjape B Scheme, Subhash Road,
Vile Parle (East) Mumbai – 400057

The Board of Directors
Precious Trading & Investments Limited
Ground and Third Floor, Prius Infinity,
Paranjape B Scheme, Subhash Road,
Vile Parle (East) Mumbai – 400057

RE: Addendum to valuation report dated September 7, 2019 in connection with proposed scheme of merger between Precious Trading & Investments Limited (PTIL) and Sheth Developers Private Limited (SDPL)

Dear Sirs,


This addendum letter ('Addendum') is given in addition to our report dated September 7, 2019 in connection with proposed scheme of merger between PTIL and SDPL ("Scheme")

This addendum has to be read in continuance to our previous report and it does not have any relevance, if read independently.

I have been informed by the management of PTIL & SDPL that the scheme was filed with BSE Limited ("BSE") on September 18, 2019. I understand that BSE has sought certain clarifications with respect to the valuation methodologies applied for valuation of Equity and Preference shares of PTIL and SDPL, respectively.

The following points clarify the details as required by BSE:

- 1) There has been absolutely no change either in the valuation of securities of PTIL or SDPL as well as exchange ratio between the two.
- 2) Appendix I has been added in the prescribed format as requested by BSE. However, there is no change in exchange ratio.
- 3) "10% redeemable, Cumulative, Non participating Preference shares" wherever appearing the valuation report should be read as "10% redeemable, Cumulative, Non participating and Non-Convertible Preference shares".


Paras K. Savla
Registered Valuer
Reg. No. IBB/RV/06/2018/10102

Computation of Fair Share Exchange Ratio:

Valuation Approach	PTIL (Transferor Company) *		SDPL (Transferee Company) #	
	Value per Share	Weight (%)	Value per Share	Weight (%)
Asset Approach	12,311	100	10	100
Income Approach	N.A.	-	N.A.	-
Market Approach	N.A.	-	N.A.	-
Relative Value per Share	12,311		10	
Exchange Ratio (rounded off)	1,231:1			

RATIO:

1,231 10% redeemable, Cumulative, Non participating and Non-Convertible Preference shares of Sheth Developer Private Limited of INR 10 each fully paid up for every 1 equity share of Precious Trading and Investments Limited of INR 10 each fully paid up.

(*) Note 1- Valuation of PTIL Equity Shares.

- a) *Asset Approach* – PTIL is a relatively non-operating company with the major assets being an investment in the equity shares and preference shares of companies, hence the Net Asset Approach was considered appropriate for valuation of share of PTIL. Also since PTIL is Investment Company, book value is considered as a better indicator of value rather than earnings as most of the assets and liabilities of Investment Company are liquid and mark-to-market for the expected and actual losses from underlying business. This in a way automatically tracks the market value of equity invested in existing assets.
- b) *Income Approach* –In our view, cash is like a raw-material for the Investment Company and hence traditional approach of valuation through Discounted Cash Flows (DCF) has its drawbacks while conducting valuation. Thus I have not considered DCF as a valuation methodology in this case
- c) *Market Approach* – In the present case, although PTIL is a listed entity on BSE, it is not frequently and actively traded in the open market. Hence, the value per share of PTIL based on the market price is not considered. As the company does not have an established track record, all the key financial indicators are not completely reliable for valuation purpose thus, a steady state of operations and profitability was not achieved as on valuation date. Accordingly, the Market Approach was not considered appropriate for the determination of the fair value of the business.

(#) Note 2 - Valuation of SDPL 10% Redeemable, Cumulative, Non participating and Non-Convertible Preference shares of INR 10 each.

- a) *Asset Approach* – The 10% Redeemable, Cumulative, Non participating and Non-Convertible Preference shares of INR 10 each are valued at its Issue price (Face Value), since it represents the value to be realized on maturity.
- b) *Income Approach* – Redeemable, Cumulative, Non-participating and Non-Convertible Preference shares has coupon rate of 10%. In case of coupon paying preference shares, where



Paras K. Savla
Registered Valuer

coupon rate and discount rate are same, face value would be fair market value for such preference shares. In this background Income approach was not considered.

- c) *Market Approach* – Since the preference shares are not listed and there are no similar entities with a similar product, the same method is not applicable for valuing Preference shares.





ARIHANT Capital Markets Ltd.

Fairness Opinion

SCHEME OF MERGER

OF

**PRECIOUS TRADING & INVESTMENTS LIMITED
(Transferor Company)**

WITH

**SHETH DEVELOPERS PRIVATE LIMITED
(Transferee Company)**

**Prepared by:
ARIHANT Capital Markets Limited
Merchant Banking Division
Mumbai**

September 10, 2019

The information contained herein is of a confidential nature and is intended for the exclusive use of the persons for whom it was prepared.

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1. Background

Precious Trading & Investments Limited ("PTIL" or Transferor Company") is a listed public limited company, incorporated under the provisions of the Companies Act, 1956, bearing corporate identity number L51900MH1983PLC029176, having its registered office at Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East) Mumbai - 400057, Maharashtra. The Transferor Company was incorporated under the name and style of "Precious Trading & Investments Limited" on January 24, 1983. The name of the Transferor Company has remained unchanged since incorporation. The equity shares of the Transferor Company are listed on BSE Limited.

Sheth Developers Private Limited ("SDPL" or "Transferee Company") is a private limited company, incorporated under the provisions of the Companies Act, 1956, bearing corporate identity number U45200MH1993PTC070335, having its registered office at Ground and Third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai - 400057, Maharashtra. The Transferee Company was originally incorporated as a public limited company under the name and style of "Sheth Developers Limited" on January 6, 1993, which later converted to a private company as "Sheth Developers Private Limited" vide fresh certificate of incorporation dated March 24, 2003 issued consequent to the conversion of the Transferee Company into a private limited company.

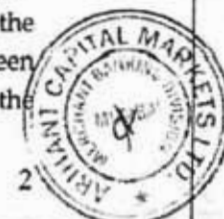
The Transferee Company and the Transferor Company are related parties as the Transferee Company is the promoter of Transferor Company and holds 74.99% equity shares of the Transferor Company.

Management of PTIL and SDPL have decided to enter into a scheme of Merger which provides for:

- a) The merger of the Transferor Company with and into the Transferee Company pursuant to Section 230 read with Section 232 and other relevant provisions of the Act read with the Rules therein.
- b) Issuance of redeemable preference shares of the Transferee Company to the equity shareholders of the Transferor Company except to the Transferee Company as per the terms set out under this Scheme
- c) Dissolution without winding up of the Transferor Company.

The Board of directors of the Transferor Companies and the Transferee Company anticipate, *inter alia*, the following benefits pursuant to the amalgamation of the Transferor Companies into the Transferee Company:

- The Transferor Company has been a loss-making entity and the Transferor Company's revenue for the year ending 31 March 2019 has been nil. On the other hand, the revenue generation of the Transferee Company has been positive and if these entities are merged as per the Scheme hereunder, the



business of the Transferor Company can be run profitably by the Transferee Company.

- Further, since the year 2001, no business activity has been undertaken by the Transferor Company and also since incorporation, no trading activity has been undertaken on BSE by any of the Shareholders of the Transferor Company. Also, the liquidity of the Shareholders of the Transferor Company will not be affected since they will be issued preference shares of the Transferee Company and with this merger, the Transferor Company is unlocking the value of the shares for its Shareholders. Accordingly, if the Transferor Company is merged with the Transferee Company, there will not be any adverse effect on the Shareholders of the Transferor Company. The Scheme will not in any manner be prejudicial to the interest of the concerned shareholders, creditors, employee or key managerial personnel or any stakeholder or general public at large.
- The Transferor Company as on date is a non-operating company and the Transferee Company is an operating company. Accordingly, the merger of the non-operating Transferor Company with the operating Transferee Company, will make available the benefits of operating Transferee Company to the shareholders of the Transferor Company. Also, both the Transferor Company and the Transferee Company have the same key managerial personnel and accordingly the business of the Transferor Company can be merged with the Transferee Company conveniently and can be carried on in conjunction more advantageously and therefore no useful purpose is being served by operating two separate legal entities.
- In the above circumstance, the merger of the Transferor Company with the Transferee Company in accordance with this Scheme and the relevant provisions of the Act, read with the Rules would therefore enable the Parties to utilize the financial resources as well as the managerial, technical, distribution and marketing resources of each other and it would be beneficial for the effective management and controlled supervision of the Transferee Company, thereby protecting the interest of the Transferor Company.
- Further, the Transferor Company, as on date, owes a liability of only Rs. 23,300 and accordingly, if the Transferor Company is merged with the Transferee Company, the liability of the Transferee Company will increase negligibly and there will not be any adverse effect on the Transferee Company.
- Pursuant to the Scheme, the liabilities of the Transferor Company would be duly discharged by the Transferee Company;
- The Transferee Company will be able to ensure better turnover and profits and would ultimately contribute substantially to the future business



expansion and will be able to exploit the market to the fullest possible extent;

- The merger will reduce compliance cost, for example, listing fees, audit fees, for the Transferor Company;
- significant reduction in the multiplicity of legal, regulatory reporting and compliances required at present;
- Simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure;
- To consolidate business for cost control; and
- The Scheme will create enhanced value for shareholders and allow a focused growth strategy which would be in the best interests of all the stakeholders. The restructuring proposed by this Scheme will also provide flexibility to the investors to select investments which best suit their investment strategies and risk profile.

Towards this purpose, the Board of Directors of PTIL have provided us with a draft copy of the proposed scheme of Merger of PTIL and SDPL, which is scheduled to be considered and approved at PTIL's forthcoming Board meeting ("Scheme"). The proposed Scheme will also be placed at the meeting of the Board of Directors of the Transferee Company for its approval.

2. Reference & Context

As the equity shares of PTIL are listed on BSE, it is bound by the LODR Listing Obligations and Disclosure Requirements) Regulations 2015 and the provisions thereof as amended from time to time.

We, Arihant Capital Markets Ltd., have been appointed to issue a fairness opinion in terms of sub Para 8(b) of Para I(A) of Annexure I of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 as amended by SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on valuation of assets done by independent Valuers for the Transferor Companies and Transferee Company pursuant to the proposed Scheme of Amalgamation.

We are a SEBI registered merchant banker and are not associates of PTIL and SDPL.

We have applied ourselves towards formation and expression of the opinion on the valuation of equity shares of PTIL and preference shares of SDPL done by the Registered valuer Mr. Paras K Savla ("Valuers") in relation to this proposed Scheme of Merger.

This Fairness Opinion is issued pursuant to our appointment as Merchant Bankers by SDPL for issuing the Fairness Opinion.



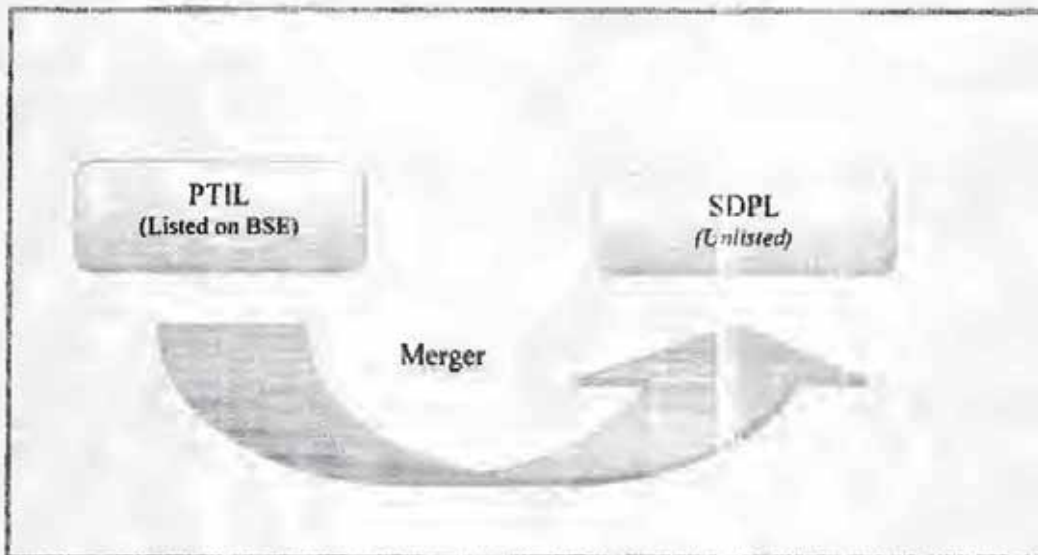
3. Proposed Transaction

PTIL will merge with SDPL through the proposed Scheme of Merger. Below mentioned structure is as per the proposed Scheme provided to us by PTIL.

In consideration of the merger of PTIL with and into SDPL, 10% Redeemable Cumulative Non-Participating Preference Shares of Rs 10/- each of SDPL would be issued to equity shareholders of PTIL, except SDPL, in exchange for its equity shares in PTIL.

Pursuant to the allotment of Preference shares under the scheme, there will be no change in the equity shareholding pattern of SDPL.

Proposed Transaction



4. Engagement Context

The management of SDPL has requested ARIHANT Capital Markets Limited ("ARIHANT" or "We / Us / Our") to express an opinion about fairness of the valuation done by the Valuers from a financial point of view in accordance with sub Para 8(b) of Para 1(A) of Annexure I of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 as amended by SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Shareholders PTIL (the "Fairness Opinion").

This Fairness Opinion is expressed solely with reference to requirements under aforementioned purpose; and scope of this assignment is restricted to opine about fairness of valuation already done by the Valuers and recommendation of share exchange ratio in relation to the proposed Scheme.



This opinion does not in any way constitute a recommendation by ARIHANT to any Shareholder as to whether such shareholder should approve or reject the proposed transaction, in cases where voting by public shareholders is warranted. We urge you to read this Fairness Opinion carefully and entirely.

We have been engaged by SDPL to issue a Fairness Opinion and will receive a fixed fee for rendering this Fairness Opinion, which is independent of the happening or otherwise of the proposed transaction.

This Fairness Opinion may be reproduced in the explanatory statement sent to the shareholders of PTIL along with the notice of general meeting / postal ballot form, conducted to get approval for the proposed transaction, so long as the form of reproduction of the Fairness Opinion in such report and any description of or reference in such report to ARIHANT, is in a form acceptable to us.

5. Basis of forming Opinion

5.1 Documents and Information Considered

For the purpose of providing our opinion, we have reviewed:

1. Certain publicly available business and financial information relating to SDPL and PTIL
2. Audited financials of SDPL and PTIL for the financial year ending March 31, 2019.
3. Certified draft of the proposed Scheme of Amalgamation to be approved by the Boards of Directors of the respective companies.
4. Undertakings / Management Representations issued by SDPL and PTIL in relation to valuation of respective companies.
5. Pre Scheme and Post Scheme Shareholding pattern of SDPL.
6. Copy of the valuation report of the Valuers Paras K Savla dated 7th September, 2019 recommending Fair Share Exchange ratio for the proposed scheme.
7. Performed such other reviews and analyses as ARIHANT, in its absolute discretion, deemed appropriate.

5.2 Assumptions and Limiting Conditions

ARIHANT has been engaged to provide standard services for the issuance of the Fairness Opinion and therefore have not performed any due diligence or audit of the information provided to us, nor have we made any independent valuation or appraisal of the assets or liabilities. PTIL has provided us with the copy of valuation report done by the Valuers and have asked us to peruse and opine on the said report. PTIL has



confirmed that as the issuance of Fairness Opinion is in relation to proposed merger, the report may also be reproduced / quoted by us.

ARIHANT has assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us by SDPL, PTIL or their authorized representatives or used by us, and has assumed that the same are factually correct and does not assume or accept any liability or responsibility for any independent verification or checking of such information or any independent valuation or appraisal of any of the assets, operations or liabilities of Transferor Company and Transferee Company.

In preparing this opinion, ARIHANT has received specific confirmation from management of SDPL and PTIL that all the information the Company has provided to ARIHANT in relation to the engagement of ARIHANT is correct and complete and no information has been withheld that could have influenced the purport of this Fairness Opinion.

This opinion exclusively focuses on the fairness, from a valuation point of view, of the shares / assets done by the Valuers and does not address any other issues such as the underlying business decision to recommend the transaction or its commercial merits, which are matters solely for the Boards of Directors of SDPL and PTIL to address and further to be confirmed by the shareholders of both the companies, as may be required.

ARIHANT's formation of fairness opinion is based on information supplied by SDPL and PTIL, representations and confirmations of its management on various issues and we have relied upon them as such without any independent verification and as such we do not hold ourselves liable if our opinion becomes flawed as a result of any shortcomings in such information, representations and confirmations given by SDPL and PTIL.

In rendering this opinion, ARIHANT has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly ARIHANT does not assume any responsibility or liability in respect thereof. Furthermore, ARIHANT has assumed that the proposed transaction will be consummated on the terms and conditions as set out in the proposed Scheme of Amalgamation, without any material changes to, or waiver of, its terms or conditions.

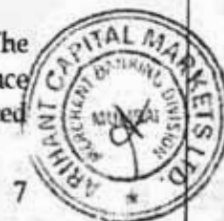
6. Valuation Approaches and their Review

6.1. Overview

The formation of a fairness opinion is generally a complex process involving careful consideration and review of valuation methods, associated financial and other analyses performed by the Valuers. ARIHANT has made a qualitative assessment of the appropriateness of the method and subsequent application.

6.2 Valuation

ARIHANT has reviewed the method of valuation adopted by the Valuers. The valuation analysis is focused on valuation of PTIL's equity shares and Preference shares of SDPL. In the Present case, although the Transferor company (PTIL) is a listed



entity, it is not frequently and actively traded in the open market. Hence, value per share of PTIL based on market price method is not considered. The management of PTIL is of the view that since PTIL is relatively non-operating company functioning mainly as an investment company, it is not possible to ascertain future cash flows. Hence, in absence of future cash flows, discounted cash flow approach of valuation is not adopted. PTIL's major assets comprise investment in the equity shares and preference shares of companies, hence the Net Asset Approach was considered appropriate for valuation of share of PTIL.

Their report states that Preference shares are proposed to be issued by the Transferee Company to the shareholders of Transferor Company as consideration for the proposed transfer of undertaking through scheme of merger. The report states that existing shareholding of Transferee Company in Transferor Company shall be cancelled and no shares will be issued to the extent of such holding.

SDPL will issue 10% Redeemable Cumulative Non-Participating Preference Shares of Rs 10/- each redeemable at par at the end of 15 years with early redemption window at the end of 5th and 10th Year i.e. Preference Shareholders will have a right requesting for early redemption on first come first basis, subject to 33.333% of the Issue size at the end of 5th year and 10th year. Hence the value of the new preference shares to be issued by SDPL is considered as Rs.10 per share.

6.3 Analysis of the Valuation

While forming our opinion, we performed certain procedures and made certain enquiries with PTIL / SDPL. Some of the procedures / activities performed and the findings are mentioned below:

- Noted that the scheme involves merger of PTIL with and into SDPL and upon implementation will lead to dissolution without winding up of the Transferor company.
- Noted that the appointed date for the proposed scheme of Amalgamation is April 01, 2019 and the valuation of PTIL is carried out based on financials of PTIL as on March 31, 2019.
- The equity shares of the Transferee company have not been traded since 2001. Also, the company has no income from operation in the current year and previous year and the management confirmed that it is not possible to ascertain future cash flows of Transferor company. Thus valuation of PTIL by using only Nest Asset Value method seems reasonable.
- The Revaluation of Investments of PTIL in SDRIL ("Sheth Developers and Realtors India Limited" - Associate company) is based on value as determined by "R V Shah and Associates Chartered Accountant" for the purpose of capital reduction under section 66 read with section 52 of Companies Act 2013. As the Value of investments in SDRIL is considered at the same value as considered under the scheme of Capital reduction pending before NCLT, the outcome of NCLT order will not impact the value of PTIL considered in this scheme of Merger.

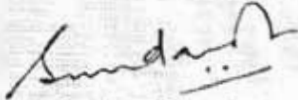


- The consideration of merger is settled through issuance of 10% Redeemable Cumulative Non-Participating Preference Shares of Rs 10/- each redeemable at par by SDPL to public shareholders of PTIL.
- SDPL is an operating company with certain projects on hand currently and also has investments in other companies.
- The management has confirmed that the current net worth of the company and future positive cash flows from current projects on hand will provide sufficient liquidity for payment of preference dividend and Redemption of New Preference shares that are being issued as consideration to the public shareholders of Transferor company.

7. Opinion

Based upon and subject to the foregoing, we are of the opinion on the date hereof, that the valuation including the Exchange ratio of 1,231 (One Thousand two hundred and Thirty one) Preference shares of SDPL of Rs. 10/- (Rupees Ten Only) each fully paid up for every 1 (one) equity shares of PTIL of Rs. 10/- (Rupees Ten Only) each fully paid up as recommended by the Valuers for the proposed Scheme of Amalgamation is fair.

For Arihant Capital Markets Limited
(Merchant Banking Division)



Authorized Signatory.
(SEBI REGN. No. INM 000011070)





ARIHANT Capital Markets Ltd.

Addendum to Fairness Opinion

SCHEME OF MERGER

OF

**PRECIOUS TRADING & INVESTMENTS LIMITED
(Transferor Company)**

WITH

**SHETH DEVELOPERS PRIVATE LIMITED
(Transferee Company)**

**Prepared by:
ARIHANT Capital Markets Limited
Merchant Banking Division
Mumbai**

September 26, 2019

**The information contained herein is of a confidential nature and is intended
for the exclusive use of the persons for whom it was prepared.**

➤ **Subject:**

Addendum to Fairness Opinion dated September 10, 2019 in connection with proposed scheme of Merger between Precious Trading & Investments Limited (PTIL) and Sheth Developers Private Limited (SDPL) ("Fairness Opinion")

➤ **Background:**


- This Addendum is issued in relation to our report dated September 10, 2019 in connection with proposed scheme of Merger ("Scheme") between PTIL and SDPL ("Addendum")
- We have been informed by the management of PTIL & SDPL that the scheme was filed with BSE Limited ("BSE") on September 18, 2019.
- Pursuant to filing of Scheme, certain clarifications were sought by BSE with regard to Fairness Opinion and consequently this Addendum is issued.
- This Addendum has to be read in continuance to and in conjunction with our Fairness Opinion and the Addendum carries no independent relevance

➤ **Clarifications:**

- 1) There has been absolutely no change in the valuation of securities of PTIL or SDPL as well as exchange ratio between the two.
- 2) "10% Redeemable, Cumulative, Non participating Preference shares" wherever appearing the Fairness Opinion should be read as "10% redeemable, Cumulative, Non participating and Non-Convertible Preference shares".
- 3) The Opinion Section to be read as follows "Based upon and subject to the foregoing, we are of the opinion on the date hereof, that the valuation including the Exchange ratio of 1231 (One Thousand Two hundred and thirty-one) 10% Redeemable, Cumulative, Non participating and Non-Convertible Preference shares of INR 10 each fully paid up for every 1 (One) equity share of Precious Trading and Investments Limited of INR 10 each fully paid up, as recommended by the Valuers for the proposed Scheme of Amalgamation is fair."
- 4) The Addendum issued by the Valuer dated 25th September 2019 has no effect on the valuation of Equity shares of PTIL and on the Valuation of 10% Redeemable, Cumulative, Non participating and Non-Convertible Preference shares of INR 10 each. Also the Share exchange ratio determined earlier remains unchanged and is as follows "1231 10% Redeemable, Cumulative, Non participating and Non-Convertible Preference shares of Sheth Developer Private Limited of INR 10 each fully paid up for every 1 equity share of Precious Trading and Investments Limited of INR 10 each fully paid up".

We reaffirm the Opinion issued vide our report dated September 10, 2019.

For Arihant Capital Markets Limited
(Merchant Banking Division)


Authorized Signatory.
(SEBI REGN. No. INM 000011070)



PRECIOUS TRADING AND INVESTMENTS LIMITED

Registered Office : Ground and 3rd Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (West), Mumbai - 400057
CIN : L51900MH1983PLC029176 Email : cs@ptil.co.in Website : www.ptil.co.in Tel : 022-42602400 Fax : 02242933533

To,
Bombay Stock Exchange Limited
P. J. Towers, Dalal Street,
Mumbai – 400 001.

BSE Scrip Code: 506107

Dear Sir / Madam,

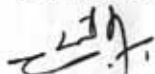
Sub: Submission of Report on Complaints as per SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 for the proposed scheme of merger between Precious Trading And Investments Limited with Sheth Developers Private Limited

This is with reference to our application under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the proposed Scheme.

Please find enclosed herewith the "Complaints Report" in terms of the SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10 on the draft Scheme submitted with the exchange on 18th September, 2019 and hosted by BSE Limited on 27th September, 2019.

Kindly take the same on record

Thanking you,
For Precious Trading And Investments Limited



Ashwin N. Sheth
Director

Date : 22nd October, 2019

Encl : Report on Complaints



PRECIOUS TRADING AND INVESTMENTS LIMITED

Registered Office : Ground and 3rd Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (West), Mumbai - 400057
CIN : L51900MH1983PLC029176 Email : cs@ptil.co.in Website : www.ptil.co.in Tel : 022-42602400 Fax : 02242933533

Format for Complaints Report:

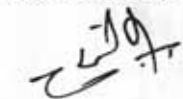
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Precious Trading And Investments Limited



Ashwin N. Sheth
Director

Date : 22nd October, 2019

Encl : Report on Complaints





DCS/AMAL/JR/R37/1681/2019-20

February 17, 2020

The Company Secretary,
Precious Trading & Investments Ltd
 Ground & 3rd Floor, Prius Infinity, Paranjape B Scheme,
 Subhash Road, Vile Parle (East),
 Mumbai, Maharashtra, 400057

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation / Merger of Precious Trading & Investments Ltd (PTIL) with Sheth Developers Private Ltd (SDPL).

We are in receipt of Draft Scheme of Amalgamation / Merger of Precious Trading & Investments Ltd filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated February 14, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “As per para 1.12 of part III of the draft scheme, PTIL shall stand dissolved without winding up and as per para 11.4 of Part IV of the draft scheme, scheme shall be acted upon only if the vote cast by public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it i.e. approval by majority of minority.

Therefore, consequent to scheme becoming effective, PTIL will be delisted from the Exchange platform without following the process of SEBI Delisting Regulations.

It may be noted that, as per Regulation 8(1)(b) of the SEBI (Delisting of Equity Shares) Regulations, 2009 (hereinafter “Delisting Regulations”) any company desirous of delisting its equity shares has to obtain prior approval of the shareholders of the company by a special resolution passed thru postal ballot after disclosure of all material facts and provided that the special resolution shall be acted upon if and only if the votes cast by public shareholders in favour of the proposal amount to at least two times the number of votes cast by public shareholders against it. However, similar provisions are not applicable in the scheme of amalgamation and scheme shall be acted upon if the vote cast by public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it i.e. approval by majority of minority.

- “It is observed that Non-participating and Non-convertible Cumulative Redeemable preference shares (NNCRPS) to be issued by the unlisted transferee Company (SDPL) in consideration of amalgamation to the shareholders of the listed transferor company (PTIL) will not be listed on any Exchnage and said NNCRPS will be redeemed at par over the period of 15 years i.e. at the end of 5th year, 10th year and 15th year from the date of their allotment with maximum 33.33% on each occasion.”
- “It is observed that the scheme does not contemplate listing of transferee company (SDPL), therefore SDPL will not be listed on any Exchange and hence, it will not be under purview of any Exchange or SEBI to monitor compliance with redemption provisios or to entertain investors complaint related to default, if any.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : 25th Floor, P.H. Tower, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1233/34 E: corp.comm@bseindia.com www.bseindia.com
 Corporate Identity Number : L67120MH2005PLG155188

- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.
- Further, as in present scheme SDPL will not be seeking listing on BSE and existing listed company i.e. PTIL will be dissolved without winding up, Exchange had advised the company to submit an undertaking inter-alia stating that upon the scheme being approved by Hon'ble NCLT, **the company shall pay the applicable delisting fees of the Exchange.** Accordingly, Company vide its letter dated December 30, 2019 had submitted such undertaking. Company is advised to ensure compliance with said undertaking at the time of seeking delisting pursuant to scheme.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Ntinkumar Pujari
SR Ntinkumar Pujari
Senior Manager

PRECIOUS TRADING AND INVESTMENTS LIMITED

Regd. Office : Ground and 3rd Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (West), Mumbai - 400057
CIN : L51900MH1983PLC029176 **Email :** cs@ptil.co.in **Website :** www.ptil.co.in **Tel :** 022-42602400 **Fax :** 02242933533

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PRECIOUS TRADING AND INVESTMENTS LTD.

Report adopted by the Board of Directors of Precious Trading and Investments Limited on the draft Scheme of Merger of Precious Trading & Investments Limited ("**Transferor Company**") with Sheth Developers Private Limited ("**Transferee Company**") under Section 230 read With Section 232 of The Companies Act, 2013

BACKGROUND

- i. The Board of Directors ("**Board**") of Precious Trading & Investments Limited ("**Transferor Company**") considers and recommends the proposed Scheme of Merger of Precious Trading and Investments Limited ("**Transferor Company**") with Sheth Developers Private Limited ("**Transferee Company**") and its respective shareholders.
- ii. The provisions of Section 232(c) of the Companies Act, 2013 requires the Boards of Directors to adopt a report explaining the effects of the Scheme of Merger on each class of shareholders, Key Managerial Personnels, promoters and non promoter shareholders and the same is required to be appended with the notice of meeting of shareholders and creditors. This report is made in order to comply with the requirements of Section 232(2)(c) of the Companies Act, 2013.
- iii. The report is made by the Board after perusing inter alia the following necessary documents:
 - a) Draft Scheme, duly initialed by Chairman of the Meeting, for the purpose of identification;
 - b) Audited financial statements of Sheth Developers Private Limited for the year ended 31st March, 2019, 31st March, 2018 and 31st March, 2017;
 - c) Valuation Report dated 7th September, 2019 of CA Paras K. Savla, Registered Valuer (Reg. No. IBBI/RV/06/2018/10102) providing the share exchange ratio for the merger of Precious Trading and Investments Limited with Sheth Developers Private Limited under the Scheme;
 - d) Fairness opinion dated 10th September, 2019, issued by Arihant Capital Markets Limited, Merchant Banker, having SEBI Registration No. INM 000011070 providing the fairness opinion on the share exchange ratio recommended by CA Paras K. Savla, Registered Valuer as referred above, in connection with merger of Precious Trading and Investments Limited with Sheth Developers Private Limited under the Scheme; and
 - e) Certificate obtained from the Statutory Auditors of the Company i.e. S. M. Gupta & Co., Chartered Accountants, having Firm Registration No. 310015E confirming that the Scheme is in compliance with the applicable accounting treatment notified under the Companies Act, 2013 and other generally accepted accounting principles.




PRECIOUS TRADING AND INVESTMENTS LIMITED

Regd. Office : Ground and 3rd Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (West), Mumbai - 400057
CIN : L51900MH1983PLC029176 Email : cs@ptil.co.in Website : www.ptil.co.in Tel : 022-42602400 Fax : 02242933533

BOARD'S REPORT

A. The salient features of the Scheme are :

- a) issuance of 1231 unlisted, 10% redeemable, cumulative, non-participating and non-convertible preference shares of Transferee Company of Rs. 10/- each fully paid up for one equity share of the Transferor Company of Rs. 10/- each fully paid up.
- b) All assets, rights and liabilities of the Transferor Company shall become the assets, rights and liabilities of the Transferee Company.
- c) Upon the scheme coming into effect, dissolution of the Transferor Company without winding up;
- d) the appointed date for the scheme is 1st April, 2019 or such other date as may be fixed by the Hon'ble NCLT;

B. The rationale for the scheme :

- a) The Transferor Company has been a loss-making entity and the Transferor Company's revenue for the year ending 31st March, 2019 has been nil. The Transferor Company is primarily, holding investments. This function can easily be carried out by the Transferee Company on its own. This would help by reducing an unnecessary layer and thereby improving transparency.
- b) Since the year 2001, no business activity has been undertaken by the Company and also no trading activity has been undertaken on BSE by any of the Shareholders of the Transferor Company. The Shareholders of the Company have not really enjoyed the benefit of listing in particular, they have not enjoyed any liquidity in respect of their shareholding nor have they enjoyed any significant appreciation in value of their shares. With this merger, the Transferor Company is unlocking the value of the shares for its Shareholders. Accordingly, if the Transferor Company is merged with the Transferee Company, there will not be any adverse effect on the Shareholders of the Transferor Company. The Scheme will not in any manner be prejudicial to the interest of the concerned shareholders, creditors, employee or key managerial personnel or any stakeholder or general public at large.
- c) Both the Transferor Company and the Transferee Company have the same key managerial personnel and accordingly the business of the Transferor Company can be merged with the Transferee Company conveniently and can be carried on in conjunction more advantageously and therefore no useful purpose is being served by operating two separate legal entities.



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C. Effects of the Scheme on the stakeholders of Precious Trading and Investments Limited:

Sr. No.	Effects of the Scheme on	Effect
1.	Promoter shareholders	All equity shares of the Transferor Company held by the Transferee Company (directly and/or through nominees) shall stand cancelled without any further application, act or deed.
2.	Non-Promoter Shareholders	"1231 unlisted, 10%, redeemable, cumulative, non-participating and non-convertible preference shares of Transferee Company of Rs. 10/- each fully paid up for one equity share of the Transferor Company of Rs. 10/- each fully paid up" shall be issued by the Transferee Company to other existing shareholders against the value of the equity shares held by them in the Transferor Company.
3.	Directors	Post the Scheme becoming effective, since the Company will stand dissolved, the Directors will cease to hold their directorship position(s).
4.	Key Managerial Personnel	No Impact
5.	Employees	No Impact
6.	Secured Creditors	No Impact, as there are no secured creditors
7.	Unsecured creditors	No Impact
8.	Depositors/Debenture holders /Deposit Trustee/Debenture Trustee	No Impact, as the Company has neither issued any debentures nor accepted deposit from any person.

In the opinion of the Board, the said scheme will be of advantage and beneficial to the Transferor Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of the Transferor Company approved the Scheme at their meeting held on 17th September, 2019.

For and on behalf of the Board of Directors of
Precious Trading and Investments Limited



Ashwin Sheth
Managing Director



Place : Mumbai

Date : 17th September, 2019

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SHETH DEVELOPERS PRIVATE LIMITED

Report adopted by the Board of Directors of Sheth Developers Private Limited on the draft Scheme of Merger of Precious Trading & Investments Limited (“Transferor Company”) with Sheth Developers Private Limited (“Transferee Company”) under Section 230 read With Section 232 of The Companies Act, 2013

BACKGROUND

- i. The Board of Directors (“Board”) of Sheth Developers Private Limited (“Transferee Company”) considers and recommends the proposed Scheme of Merger of Precious Trading and Investments Limited (“Transferor Company”) with Sheth Developers Private Limited (“Transferee Company”) and its respective shareholders.
- ii. The provisions of Section 232(c) of the Companies Act, 2013 requires the Boards of Directors to adopt a report explaining the effects of the Scheme of Merger on each class of shareholders, Key Managerial Personnels, promoters and non promoter shareholders and the same is required to be appended with the notice of meeting of shareholders and creditors. This report is made in order to comply with the requirements of Section 232(2)(c) of the Companies Act, 2013.
- iii. The report is made by the Board after perusing inter alia the following necessary documents:
 - a) Draft Scheme, duly initialed by Chairman of the Meeting, for the purpose of identification;
 - b) Audited financial statements of Sheth Developers Private Limited for the year ended 31st March, 2019, 31st March, 2018 and 31st March, 2017;
 - c) Valuation Report dated 7th September, 2019 of CA Paras K. Savla, Registered Valuer (Reg. No. IBBI/RV/06/2018/10102) providing the share exchange ratio for the merger of Precious Trading and Investments Limited with Sheth Developers Private Limited under the Scheme;
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 - e) Certificate obtained from the Statutory Auditors of the Company i.e. S. M. Gupta & Co., Chartered Accountants, having Firm Registration No. 310015E confirming that the Scheme is in compliance with the applicable accounting treatment notified under the Companies Act, 2013 and other generally accepted accounting principles.



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E: cs@shethdevelopers.com W: www.ashwinshethgroup.com

BOARD'S REPORT

A. The salient features of the Scheme are :

- a) issuance of 1231 unlisted, 10% redeemable, cumulative, non-participating and non-convertible preference shares of Transferee Company of Rs. 10/- each fully paid up for one equity share of the Transferor Company of Rs. 10/- each fully paid up.
- b) All assets, rights and liabilities of the Transferor Company shall become the assets, rights and liabilities of the Transferee Company.
- c) Upon the scheme coming into effect, dissolution of the Transferor Company without winding up;
- d) the appointed date for the scheme is 1st April, 2019 or such other date as may be fixed by the Hon'ble NCLT;

B. The rationale for the scheme :

- a) The Transferor Company has been a loss-making entity and the Transferor Company's revenue for the year ending 31st March, 2019 has been nil. The Transferor Company is primarily, holding investments. This function can easily be carried out by the Transferee Company on its own. This would help by reducing an unnecessary layer and thereby improving transparency.
- b) Since the year 2001, no business activity has been undertaken by the Transferor Company and also no trading activity has been undertaken on BSE by any of the Shareholders of the Transferor Company. The Shareholders of the Transferor Company have not really enjoyed the benefit of listing in particular, they have not enjoyed any liquidity in respect of their shareholding nor have they enjoyed any significant appreciation in value of their shares. With this merger, the Transferor Company is unlocking the value of the shares for its Shareholders. Accordingly, if the Transferor Company is merged with the Transferee Company, there will not be any adverse effect on the Shareholders of the Transferor Company. The Scheme will not in any manner be prejudicial to the interest of the concerned shareholders, creditors, employee or key managerial personnel or any stakeholder or general public at large.
- c) Both the Transferor Company and the Transferee Company have the same key managerial personnel and accordingly the business of the Transferor Company can be merged with the Transferee Company conveniently and can be carried on in conjunction more advantageously and therefore no useful purpose is being served by operating two separate legal entities.



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C. Effects of the Scheme on the stakeholders of Sheth Developers Private Limited:

Sr. No.	Effects of the Scheme on	Effect
1.	Equity shareholders	No Impact
2.	Existing Preference Shareholders	No impact
3.	Directors	No Impact
4.	Key Managerial Personnel	No Impact
5.	Employees	No Impact
6.	Secured Creditors	No Impact
7.	Unsecured creditors	No Impact
8.	Depositors/Debenture holders/Deposit Trustee/Debenture Trustee	No Impact

In the opinion of the Board, the said scheme will be of advantage and beneficial to the Transferee Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of the Transferee Company approved the Scheme at their meeting held on 17th September, 2019.

For and on behalf of the Board of Directors of
Sheth Developers Private Limited



Ashwin Sheth
Managing Director



Place : Mumbai

Date : 17th September, 2019

SHETH DEVELOPERS PRIVATE LIMITED

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S. M. GUPTA & CO.
CHARTERED ACCOUNTANTS

1103, Olive Dosti Acres,
S. M. Road, Antop Hill,
Wadala (East),
Mumbai - 400 037.
Mob.: 7021170033
E-mail : smguptaco@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To the Members of

PRECIOUS TRADING AND INVESTMENTS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of M/s. Precious Trading And Investment Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



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BRANCH OFFICE : 14B, CAMAC STREET, 2ND FLOOR, KOLKATA - 700 017, PHONE : 033-40650378

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. During the course of our audit there were no significant Key Audit Matters to be reported in context of audit of our financial statements as a whole, and in forming our opinion thereon, hence the same has not been reported.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report including Annexure to Board's Report, Corporate Governance and Shareholder's information and the chairman's statement' but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

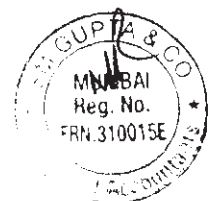
Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial



statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

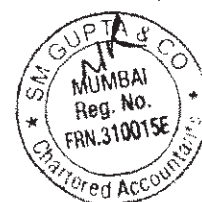
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures



are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

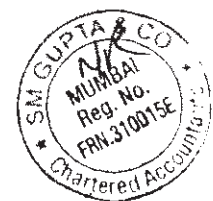
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, (the Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts of the company.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019

For S M Gupta & Co.
Chartered Accountants
FRN No: 310015E



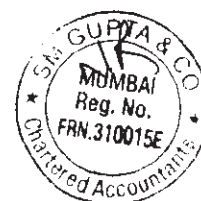
Neena Ramgarhia

Neena Ramgarhia
Partner
Membership No: 067157

Place: Mumbai
Date: 30/5/19

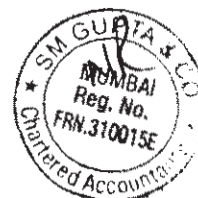
Annexure – A to Independent Auditors’ Report
(Referred to in Paragraph 10 of the Independent Auditors’ Report to the Members of even date)

- i. The Company does not have any fixed assets. Accordingly, paragraph (i) of the Order is not applicable.
- ii. The Company does not have any stock of Inventories. Accordingly, paragraph (ii) of the Order is not applicable.
- iii. According to the information and explanations given to us, the Company has granted unsecured loan to one party covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which :
 - (a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - (b) In case of loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower have been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under Section 189 of the Act.
- iv. The Company has complied with Section 185 and Section 186 of the Companies Act, 2013 by passing special resolution in the meeting of shareholders of the Company.
- v. According to information and explanations provided to us, the company has not obtained deposit from public as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013 and the Rules framed there under.
- vi. According to information and explanations provided to us, the Company has maintained accounts and cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 and as specified by the Central Government of India under Section 148(1) of the Companies Act, 2013. We have however not carried out a detailed examination of the same.
- vii.
 - (a) According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees’ state insurance, duty of customs, duty of excise, income tax, sales tax, service tax, value added tax, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, duty of customs, duty of excise, income tax, sales tax, service tax, value added tax, goods and service



tax, cess and other material statutory dues were in arrears as at March 31st, 2019 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of provident fund, employees' state insurance, duty of customs, duty of excise, income tax, sales tax, service tax, value added tax, goods and service tax, cess and other material statutory dues which have not been deposited on account of any disputes.
- viii. In our opinion and according to the information and explanations given to us, the company has not raised any loans or borrowings from financial institutions, banks, and Government or debenture holders. Accordingly, para 3(viii) of the Order is not applicable.
- ix. The company has not raised any money via initial public offer or by way of further public offer or term loans and hence reporting under para 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid any Managerial Remuneration during the year under audit. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations provided to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations provided to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



For S M Gupta & Co.
Chartered Accountants
FRN No: 310015E

Neena Ramgarhia

Neena Ramgarhia
Partner
Membership No: 067157

Place: Mumbai

Date: 30/5/19

Annexure – B to Independent Auditors’ Report
(Referred to in Paragraph 10(f) of the Independent Auditors’ Report of even date)

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

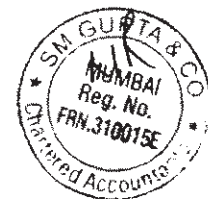
1. We have audited the internal financial controls over financial reporting of Precious Trading and Investments Limited (“the Company”) as of March 31st, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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.
4. 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.

5. 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.

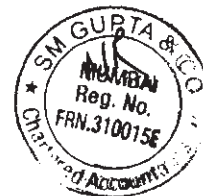
Meaning of Internal Financial Controls over Financial Reporting

6. 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
 - (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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



8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S M Gupta & Co.
Chartered Accountants
FRN No: 310015E**



Place: Mumbai
Date: 30/5/19.

Neena Ramgarhia
**Neena Ramgarhia
Partner
Membership No: 067157**

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Standalone Balance Sheet as at March 31, 2019*(All amounts in INR lakhs, unless otherwise stated)*

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Financial assets			
i. Investments	3	953.68	953.68
Total non-current assets		953.68	953.68
Current assets			
Financial assets			
i. Cash and Cash Equivalents	4	0.75	3.93
ii. Loans	5	126.50	132.12
Total current assets		127.25	136.05
Total assets		1,080.93	1,089.74
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6(a)	24.00	24.00
Other equity	6(b)	1,056.27	1,064.90
Total equity		1,080.27	1,088.90
Liabilities			
Current liabilities			
Financial liabilities			
i. Trade payables	7	0.43	0.58
Provisions	8	0.23	0.23
Other current liabilities	9	0.00	0.03
Total current liabilities		0.67	0.84
Total liabilities		0.67	0.84
Total equity and liabilities		1,080.93	1,089.74

Significant accounting policies and notes

1

For S. M. Gupta & Co.

Chartered Accountants

ICAI FRN No. 310015E

Neena Ramgahria

Partner

Membership No. 067157



For and on behalf of the Board of Directors

Ashwin N. Sheth

Director

DIN-00002053

Sharad N Doshi

Director

DIN-06968835

Place : Mumbai

Date : May 30, 2019

Chintan A. Sheth

Chief Financial Officer

Ankush V. Bhoir

Company Secretary

Place : Mumbai

Date : May 30, 2019

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Statement of Profit & Loss for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Revenue From Operations		-	-
Other Expenses	10	8.63	5.49
Total expenses		8.63	5.49
Profit/(Loss) Before Tax		(8.63)	(5.49)
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense/(credit)		-	-
Profit/(Loss) for the year		(8.63)	(5.49)
Other Comprehensive income (Net of tax)		-	-
Other Comprehensive income for the year		-	-
Total comprehensive income for the year		(8.63)	(5.49)

Significant accounting policies and notes


1


For S. M. Gupta & Co.
Chartered Accountants
ICAI FRN No. 310015E


Neena Ramgahria
Partner
Membership No. 067157




For and on behalf of the Board of Directors


Ashwin N. Sheth
Director
DIN-00002053


Shatad N Doshi
Director
DIN-06968835

Place : Mumbai
Date : May 30, 2019


Chintan A. Sheth
Chief Financial Officer


Ankush V. Bhoir
Company Secretary

Place : Mumbai
Date : May 30, 2019

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
As at March 31, 2018	24.00
Changes in equity share capital	-
As at March 31, 2019	24.00

B. Other equity

Particulars	Reserves and surplus		Total other equity
	Capital reserve	Retained Earnings	
As at April 01, 2018	982.66	82.24	1,064.90
Profit for the year		(8.63)	(8.63)
Other comprehensive income (Net of tax)		-	-
Total comprehensive income for the year	982.66	73.61	1,056.27
As at March 31, 2019	982.66	73.61	1,056.27

For S. M. Gupta & Co.

Chartered Accountants

ICAI FRN No. 310015E

Neena Ramgahria

Partner

Membership No. 067157



For and on behalf of the Board of Directors

Ashwin N. Sheth

Director

DIN-00002053

Sharad N Doshi

Director

DIN-06968835

Place : Mumbai

Date : May 30, 2019

Chintan A. Sheth

Chief Financial Officer

Ankush V. Bhoir

Company Secretary

Place : Mumbai

Date : May 30, 2019

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Statement of Cash Flow for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit/(Loss) before Tax as per statement of profit and loss		(8.63)	(5.49)
Adjustments		-	-
Operating Profit Before Working Capital Changes		(8.63)	(5.49)
Movements in working capital			
Decrease/(Increase) in loans and advances		5.62	8.43
Decrease/(Increase) in other assets		-	0.09
Increase/(Decrease) in current liabilities		(0.03)	(0.06)
Increase/(Decrease) in payables		(0.14)	0.30
Increase/(Decrease) in provisions		-	-
		5.45	8.76
Cash generated from operations			
Less : Direct Taxes Paid (net of refunds)		-	-
Net Cash Inflow / (Outflow) from Operating Activities		(3.19)	3.27
CASH FLOW FROM INVESTING ACTIVITIES :			
Net Cash Inflow / (Outflow) from Investing Activities		-	-
CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds from borrowings		-	-
Net Cash Inflow / (Outflow) from Financing Activities		-	-
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES		(3.19)	3.27
Add : Cash and Cash Equivalents at Beginning of the year	4	3.93	0.66
Cash and Cash Equivalents at End of the year		0.75	3.93

Cash and cash equivalent comprises of the following :

Particulars	As at March 31, 2019	As at March 31, 2018
Cash in hand	0.01	0.01
Balances with Banks:		
- In Current Accounts	0.74	3.92
Total	0.75	3.93

Note: The cash flow statement has been prepared under the indirect method as set out in Ind AS 7.

For S. M. Gupta & Co.
Chartered Accountants
ICAI FRN No. 310015E

Neena Ramgahria
Partner
Membership No. 067157

Place : Mumbai
Date : May 30, 2019



For and on behalf of the Board of Directors

Ashwin N. Sheth
Director
DIN-00002053

Chintan A. Sheth
Chief Financial Officer

Shahad N Doshi
Director
DIN-06968835

Ankush V. Bhoir
Company Secretary

Place : Mumbai
Date : May 30, 2019

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements

Note 1 - Significant accounting policies

Background

Precious Trading and Investments Limited is a company limited by shares, incorporated and domiciled in India (Hereinafter, referred to as the "Company"). The company is engaged in investment activities.

a) *Basis of preparation*

i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value.

b) *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods is recognised on transfer of significant risks and rewards of ownership which is generally on dispatch of goods.

c) *Provisions & Contingent Liabilities*

Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

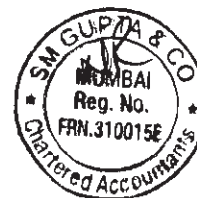
Contingent Liabilities

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.

d) *Income Tax*

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 for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). 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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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.

e) *Cash and cash equivalents*

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, 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.

f) *Financial assets and liabilities*

(i) **Financial assets**

1. *Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. 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.

2. **Measurement**

At initial recognition, the Company measures a financial asset at its fair value 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 statement of profit or loss.

Debt instruments

Debt instruments are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Measured at 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 and is not part of a hedging relationship 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.



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

h) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Since the company is only operating in investment activity, there is only one segment for the company, hence no segment wise reporting as per Ind AS is provided.

i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

k) Borrowing Cost

Borrowing costs relating to acquisition and/or construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use or sale are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs which are not related to acquisition and/or construction activities nor are incidental thereto are charged to the Statement of Profit and Loss.

l) Earnings per share

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and,
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest 'Lacs' as per the requirement of Schedule III, unless otherwise stated.

Note 2 - Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of fair value of financial assets & liabilities



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

Measured at fair value through other comprehensive income: 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.

Measured at 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 and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is investments are recognised in profit or loss as other income when the company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 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.

3. Impairment of financial assets

The Company is required to assess 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. Note 24 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

5. Income recognition

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Dividend Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

(ii) Financial liabilities:

1. Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

2. Subsequent measurement

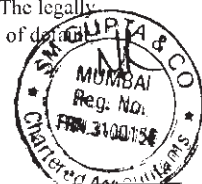
Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

3. Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right 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 the counterparty.



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

Note 3 - Non-Current Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Equity Instruments (Unquoted)		
Investment in Associate (at cost)		
Sheth Developers & Realtors (I) Ltd. (1,37,70,000 fully paid up shares of Rs. 10/- each)	76.88	76.88
Investment in Other Equity (at FVTPL)		
Sheth Shelter P.Ltd(1 fully paid up share of Rs. 100)	0.00	0.00
Other Investments (at FVTPL)		
Investment in Preference Shares		
Sheth Shelter Private Ltd (4,38,400, 6% Redeemable Non-Cumulative, Non-Participating preference shares of Rs. 10/- each and Premium of Rs.190/- per share)	876.80	876.80
Total	953.68	953.68

Aggregate amount of unquoted investments 953.68 953.68

Aggregate amount of impairment in the value of investment - -

Refer Note 12 for information on credit risk and Market risk.

Note 4 - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on Hand	0.01	0.01
Balances with Banks:		
In current accounts	0.74	3.92
Total	0.75	3.93

Note 5 - Current Loans

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans to related parties- Receivable on demand	126.50	132.12
Total	126.50	132.12



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

Note 6 - Equity Share capital and other equity

6(a) Equity share capital

(i) Authorised share capital

Particulars	Number of shares	Equity share capital
As at March 31, 2018	250,000	25.00
Increase during the year	-	-
As at March 31, 2019	250,000	25.00

(ii) Issued, subscribed and paid-up share capital

Particulars	Number of shares	Equity share capital
As at March 31, 2018	240,000	24.00
Increase during the year	-	-
As at March 31, 2019	240,000	24.00

(iii) Terms and rights attached to equity shares

- a) The company has one class of equity share having a par value of ₹ 10/- per share. Each share is entitled to one vote.
- b) In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. However nos such preferential amounts exist currently.

(iv) Share of the company held by holding/ultimate holding company

Particulars	As at March 31, 2019	As at March 31, 2018
Sheth Developers Private Limited	179,970	179,970

(vi) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of Shares	% holding	No of Shares	% holding
Sheth Developers Pvt. Ltd.	179,970	74.99%	179,970	74.99%

6(b) Reserves and surplus

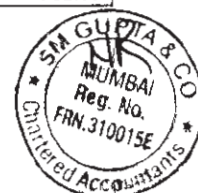
Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	73.61	82.24
Capital Reserve	982.66	982.66
Total	1,056.27	1,064.90

(i) Retained Earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	82.24	87.73
Net Profit / (Loss) for the year	(8.63)	(5.49)
Items of other comprehensive income recognised	-	-
Closing balance	73.61	82.24

(ii) Capital Reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	982.66	982.66
Appropriations during the year	-	-
Closing balance	982.66	982.66



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

Note 7 - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payable - Micro and small enterprises*	-	-
Trade Payables - Other than micro and small enterprises	0.43	0.58
Total	0.43	0.58

* Based on the information available with the Company there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.

Refer note 12 for information about liquidity risk and trade payables.

Note 8- Short term Provisions

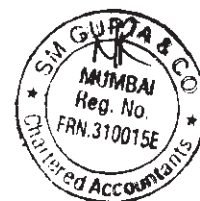
Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Expenses	0.23	0.23
Total	0.23	0.23

Note 9 - Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Liabilities	0.00	0.03
Total	0.00	0.03

Note 10 - Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Advertisement Expenses	0.37	0.56
Auditors remuneration (including taxes.)		
- Audit fee	0.24	0.12
- Other fee		0.00
Legal Charges	3.34	1.15
Other Fees & Stamps	0.36	0.29
Filing fees and stamping charges	0.10	0.13
Stock Exchange Listing Fees	2.95	2.88
Bank Charges	0.67	0.02
Miscellaneous expenses	0.62	0.34
Total	8.63	5.49



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

Note 11- Fair Value Measurement

a) Financial instruments classified by categories :

Particulars	FVPL		Amortised cost	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Investment in Preference Shares	876.80	876.80	-	-
Cash and cash equivalents	-	-	0.75	3.93
Loans to related parties	-	-	126.50	132.12
Total financial assets	876.80		127.25	136.05
Financial liabilities				
Trade payables	-	-	0.43	0.58
Total financial liabilities	-	-	0.43	0.58

b) Financial instruments classified by hierarchy :

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in Preference Shares	3	-	-	876.80	876.80
Cash and cash equivalents	4	-	-	0.75	0.75
Loans to related parties	5	-	-	126.50	126.50
Total Financial Assets		-	-	1,004.05	1,004.05
Financial liabilities					
Trade payables	7	-	-	0.43	0.43
Total Financial liabilities		-	-	0.43	0.43

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in Preference Shares	3	-	-	876.80	876.80
Cash and cash equivalents	4	-	-	3.93	3.93
Loans to related parties	5	-	-	132.12	132.12
Total Financial Assets		-	-	1,012.85	1,012.85
Financial liabilities					
Trade payables	7	-	-	0.58	0.58
Total Financial liabilities		-	-	0.58	0.58



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data

Valuation processes

1. The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- The carrying amounts of trade payables, current borrowings, cash and cash equivalents and loan to related parties (repayable on demand) are considered to be the same as their fair values, due to their short-term nature. This is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

a) Fair value measurement using significant unobservable inputs (Level 3)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Fair value	Carrying Cost	Fair value	Carrying Cost
Investment in Preference Shares		876.80		876.80
Total Financial Assets		876.80		876.80

b) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2019		As at March 31, 2018	
	Fair value	Carrying Cost	Fair value	Carrying Cost
Financial assets				
Cash and cash equivalents	0.75	0.75	3.93	3.93
Loans to related parties	126.50	126.50	132.12	132.12
Total Financial Assets	127.25	127.25	136.05	136.05
Financial liabilities				
Trade payables	0.43	0.43	0.58	0.58
Total Financial liabilities	0.43	0.43	0.58	0.58



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

Note 12 - Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(a) Credit risk :-

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed.

The company has provided loans to related parties where there is no risk of default hence, its exposure to credit risk is immaterial.

(b) Market risk

(i) Foreign Currency Risk :-

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (i.e. INR).

The company has no transactions in foreign currency hence the foreign currency risk exposure is Nil.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest

The company has no borrowings bearing floating rate of interest. Hence, the exposure to interest rate risk is Nil.

(c) Liquidity risk :-

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities.

The Company has taken all of its borrowings from related parties. Hence, the liquidity risk is immaterial for the company.

Note 13 - Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from external parties such as banks or financial institutions. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain shareholder, creditor and stakeholder confidence to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.



Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

Note 14 - Related Party Transactions

A. Name of related Parties and nature of relationship :

(i) Where control exists :

Nature of Relationship	Entity Name
Holding Company	Sheth Developers Private Limited
Associate Company	Sheth Developers & Realtors (India) Limited
Related party (Companies where Director is a director or member)	Sheth Shelters Private Limited
	Sheth Realcon Ventures Private Limited
	Sheth Infrastructure Private Limited
	Sheth Estate (International) Limited
	Sheth Shelters Private Limited
	Sheth Realcon Ventures Private Limited
	Sheth Building Materials Private Limited
	Laxmiprabha Impex and Investments Private Limited
	Sheth Corp Private Limited
	Sheth Infraworld Private Limited
	Sheth Lifestyles Private Limited
	Sheth Dreamhomes Private Limited
	Sheth Infracity Private Limited
	Sheth Universal Private Limited
	Sheth Realty (India) Private Limited
	Sheth Smarthomes Private Limited
	Sheth Aviation Private Limited
Sheth Development Private Limited	
Sheth Holdings (India) Private Limited	
Sheth Homes Private Limited	
Sheth Infra Estate Private Limited	
Alpha Business Consultants Private Limited	
Viviana Malls Private Limited	
Related Party (LLP where director is a partner)	Lohitka Properties LLP
	Sanjeevani Vyaapar LLP
	Sheth Adobe LLP

(ii) Director and Key Managerial Personnel :

Director/Key Managerial Persons	Mr. Ashwin N. Sheth Mr. Sharad N Doshi
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B. Key Management Personnel compensation

For the year ended 31 March 2019	Short-term employee benefits	Post- employment benefits	Long-term employee benefits	Share based payments	Termination benefit	Total
Mr. Ashwin N. Sheth	-	-	-	-	-	-

For the year ended 31 March 2018	Short-term employee benefits	Post- employment benefits	Long-term employee benefits	Share based payments	Termination benefit	Total
Mr. Ashwin N. Sheth	-	-	-	-	-	-



Precious Trading and Investments Limited

[CIN : I.51900MH1983PLC029176]

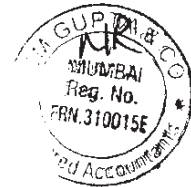
Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

14. Related Parties Disclosure (Contd.)

C. Disclosure of transactions between the company and related parties and outstanding balances as at the year end:

Particulars	Parties referred to in A (i) above		Parties referred to in A (ii) above		Total	
	Year Ended		Year Ended		Year Ended	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
(A) Transactions during the year						
Loans Availed:						
Sheth Corp Private Limited	0.01	145.99	-	-	0.01	145.99
Sheth Developers Private Limited	5.62	137.56	-	-	5.62	137.56
Sub-Total	5.62	283.55	-	-	5.62	283.55
Loans Repaid:						
Sheth Corp Private Limited	0.01	-	-	-	0.01	-
Sub-Total	0.01	-	-	-	0.01	-
(B) Balance as at the year end						
Loans and Advances Given						
Sheth Developers Private Limited	126.50	132.12	-	-	126.50	132.12
Sub-Total	126.50	132.12	-	-	126.50	132.12
Interest accrued but not due on Unsecured Loans:						
Sheth Developers Private Limited	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-



Note 15 - Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) <u>Basic and diluted earnings per share</u>		
Profit attributable to the equity holders of the Company	(863,187.80)	(548,720.00)
Total basic earnings per share attributable to the equity holders of the Company (In ₹)	(3.60)	(2.29)
(b) <u>Weighted average number of shares used as the denominator</u>		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	240,000	240,000

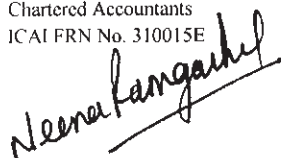
Note 16 - Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz investment activities. Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". All of the operations of the company are in India hence, there is no geographical segment. Also, none of the segment has reportable revenue of more than 10%.

Note 17- Contingent Liability

In the opinion of the Directors the Current Assets and creditors have the value at which they are stated in the balance sheet, if realized in the ordinary course of business. The provision for all known Liabilities is adequate and not in excess of the amount reasonably necessary.

For S. M. Gupta & Co.
Chartered Accountants
ICAI FRN No. 310015E



Neena Ramgahria
Partner
Membership No. 067157



Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors



Ashwin N. Sheth
Director
DIN-00002053



Sharad N. Doshi
Director
DIN-06968835



Chintan A. Sheth
Chief Financial Officer



Ankush Bhoir
Company Secretary

Place: Mumbai
Date : May 30, 2019

408, 4th Floor, Oomrigar Bldg.,
Opp. Crawford Market,
Lokmanya Tilak Road,
Mumbai- 400 003.
Mob.: 7021170033
E-mail : smguptaco@yahoo.com

S. M. GUPTA & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Sheth Developers Private Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of Sheth Developers Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('IndAS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Ministry of Corporate Affairs vide notification dated 28th March 2018 has notified Ind AS 115 "Revenue from Contracts with Customers" (Ind AS 115) w.e.f. 1st April, 2018. The Company has applied the modified retrospective approach as per para C3(b) of Ind AS 115 to contracts that were not completed as on 1st April 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. 1st April, 2018 in accordance with para C7 of Ind AS 115 as an adjustment to the opening balance of Other Equity, only to contracts that were not completed as at 1st April, 2018. Attention in this connection has been invited to Note No.42 of Notes to accounts of the company. The transitional adjustment of Rs. 4,471.14 has not been adjusted against opening Other Equity based on the requirements of the Ind AS 115 there by presenting an increased balance of Other Equity as on 1st April, 2018 by the aforesaid amount. The transitional adjustment is pertaining to recognition of revenue based on satisfaction of performance obligation (at a point in time).



HEAD OFFICE : 1, BALARAM DE STREET, KOLKATA - 700 006, PHONE : 033-40081601
BRANCH OFFICE : 14B, CAMAC STREET, 2ND FLOOR, KOLKATA - 700 017, PHONE : 033-40650378

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report including Annexures to Board's Report, Corporate Governance and Shareholder's information and the chairman's statement' but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained



up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

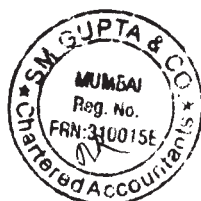
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) As per the notification no. G.S.R. 463(E) dated June 05, 2015, the Government companies are exempted from provisions of section 164(2) of the Act. Accordingly, we are not required to report whether any director(s) are disqualified in terms of provisions contained in said section.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 – of the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019

Place: Mumbai
Date: 6th August, 2019



For S M Gupta & Co.
Chartered Accountants
FRN No: 310015E

Neena Ramgarhia

Neena Ramgarhia
Partner
Membership No: 067157
UDIN – 19067157AAAAAG1595

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sheth Developers Private Limited of even date)

- i. In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. In respect of inventories:
 - a. The inventory has been physically verified by the management at reasonable intervals during the year.
 - b. The Company has maintained proper records of inventory. As explained to us, the discrepancies between the physical inventory and the book records were not material.
- iii. According to the information and explanations given to us, the Company has granted secured and unsecured loans to one body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - a. In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the said parties, were not, prima facie, prejudicial to the interest of the Company.
 - b. As explained to us, in case of the abovementioned loan granted, the borrower has been regular in the payment of the principal and interest as stipulated.
 - c. There is no overdue amount, for a period more than ninety days in respect of the loans granted to the said parties.

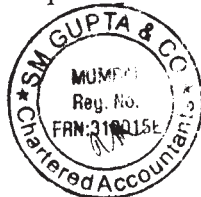


- iv. The Company has not entered into any transaction regarding the provisions of section 185 and 186 of the Companies Act, 2013
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. According to information and explanations provided to us, the Company has maintained accounts and cost records as specified by the Central Government of India under Section 148(1) of the Companies Act, 2013. We have however not carried out a detailed examination of the same..
- vii. According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable on account of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were not in arrears as at March 31st, 2019, for a period of more than six months from the date they became payable.

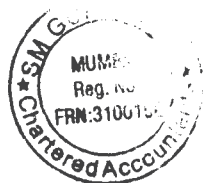
According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of income tax, service tax, cess and other statutory dues, which have not been deposited on account of any disputes with respective authorities.

- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud 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 paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai
Date: 6th August 2019



For S M Gupta & Co.
Chartered Accountants
FRN No: 310015E

Neena Ramgarhia

Neena Ramgarhia
Partner
Membership No: 067157
UDIN – 19067157AAAAAG1595

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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 Sheth Developers Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



According to the information and explanation given to us and based on our audit, the Company's internal financial control over interpretation and implementation of Ind AS-115 -"Revenue from Contracts with Customers"has resulted into discrepancies in opening other equity in the Standalone Financial Statements of Sheth Developers Private Limited. The said material discrepancies weaknesses have been identified in the operating effectiveness of the company's internalfinancial controls over financial reporting as at March 31,2019.

'Material Weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is reasonable possibility that a material misstatement of the company's Annual Financial Statements will not be prevented or detected on a timely basis. In our opinion, the company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31,2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the company's internal financial controls over Financial Reporting were operating effectively as of March 31, 2019. We have considered the material weakness identified and reported above in determining the nature, timing and extend of audit tests applied in our audit of the March 31,2019 Financial Statements of the company, and these material weakness do not affect our opinion on the consolidated Ind AS Financial Statements of the company.

**For S M Gupta & Co.
Chartered Accountants
FRN No: 310015E**



Neena Ramgarhia

**Neena Ramgarhia
Partner
Membership No: 067157
UDIN – 19067157AAAAAG1595**

**Place: Mumbai
Date: 6th August 2019**

Sheth Developers Private Limited

(Amounts in INR lacs unless otherwise stated)

Balance Sheet as at March 31, 2019

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	196.58	788.22
Investment Properties	4	-	95.52
Intangible assets	5	0.16	0.16
Investment in Subsidiaries and associates	6	12,113.09	12,113.09
Financial assets			
- Investments	6	123.94	126.60
- Loans	7	248.54	248.02
- Other financial assets	8	149.42	1,580.12
Deferred tax assets (net)	33	4,454.34	4,844.04
Other non-current assets	9	1,467.48	1,894.51
Total non-current assets		18,753.55	21,690.28
Current assets			
Inventories	10	66,704.52	39,432.09
Financial assets			
- Trade receivables	11	587.74	2,740.12
- Cash and cash equivalents	12	1,423.66	1,741.72
- Bank balances other than above	13	3,405.29	261.92
- Loans	14	28,745.54	30,116.25
Other current assets	15	43,836.34	46,343.44
Total current assets		144,703.09	120,635.54
TOTAL ASSETS		163,456.64	142,325.82
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,000.00	1,000.00
Other equity	17	14,808.49	14,417.04
Total equity		15,808.49	15,417.04
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	46,280.03	40,579.29
- Security deposits	19	1.50	9.60
Provisions	20	128.01	472.84
Total non-current liabilities		46,409.54	41,061.72
Current liabilities			
Financial liabilities			
- Borrowings	21	28,536.70	4,046.24
- Trade payables	22	6,338.20	10,389.58
- Other financial liabilities	23	1,400.25	1,673.53
Provisions	24	84.49	777.09
Other current liabilities	25	64,878.97	68,960.61
Total current liabilities		101,238.61	85,847.06
Total liabilities		147,648.15	126,908.78
TOTAL EQUITY AND LIABILITIES		163,456.64	142,325.82

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date.

For S.M. Gupta & Co

ICAI Firm's Registration No. - 310015E

Neena Ramgahria
Neena Ramgahria
Partner
Membership No - 067157



Mumbai
August 6th, 2019

For and on behalf of the Board of Directors

Ashwin N. Sheth

Ashwin N. Sheth
Director
DIN-00002053

Chintan A. Sheth

Chintan A. Sheth
Director
DIN-03423785

Ankush V. Bhoir

Ankush V Bhoir
Company Secretary
Membership No: A30858

Mumbai
August 6th, 2019

Sheth Developers Private Limited

(Amounts in INR lacs unless otherwise stated)

Statement of profit and loss for the year ended March 31,2019

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	26	2,865.20	8,608.00
Other income	27	3,956.98	9,828.47
Total income		6,822.18	18,436.47
Expenses			
Cost of material consumed	28 (a)	1,498.36	11,552.34
Changes in Inventories	28 (b)	115.59	(140.16)
Employee benefit expenses	29	548.95	441.04
Finance Cost	30	634.23	2,140.06
Depreciation and amortisation expense	3,4, 5	194.54	359.16
Other expenses	31	2,977.92	2,388.44
Total expenses		5,969.59	16,740.88
Profit before tax		852.59	1,695.59
Income tax expense			
- Current tax (MAT)		180.12	358.00
- Deferred tax	33	388.04	(3,730.69)
Income Tax Previous year Adjustment		(102.99)	(370.03)
Total tax expense	33	465.17	(3,742.72)
Profit for the year		387.42	5,438.31
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement gains/(losses) on net defined benefit plans	32	5.69	4.57
Deferred tax relating to above	33	(1.66)	(1.60)
Other comprehensive income for the year, net of tax		4.03	2.97
Total comprehensive income for the year		391.45	5,441.28
Earnings per equity share			
Basic earning per share	41	38.74	543.83
Diluted earning per share	41	38.74	543.83

The above statement of profit and loss should be read in conjunction with the accompanying notes.

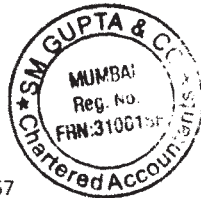
In terms of our report of even date.

For S.M. Gupta & Co

ICAI Firm's Registration No. - 310015E

Neena Ramgahria
Partner

Membership No - 067157



Mumbai

August 6th, 2019

For and on behalf of the Board of Directors

Ashwin N. Sheth
Director
DIN-00002053

Chintan A. Sheth
Director
DIN-03423785

Ankush V Bhoir
Company Secretary
Membership No: A30858

Mumbai

August 6th, 2019

Sheth Developers Private Limited

Statement of changes in equity for the year ended March 31, 2019

(Amounts in INR lacs unless otherwise stated)

A. Equity share capital					
Particulars	Notes	No. of shares	Amount		
Balance as at March 31, 2017		1,000,000	1,000		
Changes in equity share capital	16	-	-		
Balance as at March 31, 2018		1,000,000	1,000		
Changes in equity share capital	16	-	-		
Balance as at March 31, 2019		1,000,000	1,000		
B. Other equity					
Particulars	Capital Reserve	General Reserve	Debiture Redemption Reserve	Retained Earnings	Total other equity
Balance as at March 31, 2017	100.00	5,140.00	325.00	(2,245.92)	8,975.76
Profit/(loss) for the year				5,438.31	5,438.31
Other comprehensive income for the year, net of tax				2.97	2.97
Transfer to General Reserve			(325.00)		
Total comprehensive income for the year			325.00	5,441.28	5,441.28
Balance as at March 31, 2018	100.00	5,465.00	(325.00)	3,195.36	14,417.04
Profit/(loss) for the year				387.42	387.42
Other comprehensive income for the year, net of tax				4.03	4.03
Total comprehensive income for the year			5,656.68	391.45	391.45
Balance as at March 31, 2019	100.00	5,465.00	-	3,586.81	14,808.49

The above statement of changes in equity should be read in conjunction with the accompanying notes.

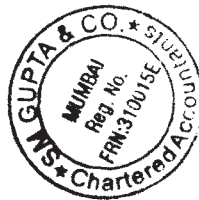
The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date.

For S.M. Gupta & Co

ICAI Firm's Registration No: 4810015E

Ramji



Neena Ramgahria

Partner

Membership No - 067157

Mumbai

August 6th, 2019

For and on behalf of the Board of Directors

ASHWIN N. SHETH

Ashwin N. Sheth

Director

DIN-00002053

CHINMAY A. SHETH

Chinmay A. Sheth

Director

DIN-03423785

ANKUSH V. BHOIR

Ankush V Bhoir

Company Secretary

Membership No: A30858

Mumbai

August 6th, 2019

Sheth Developers Private Limited
Standalone statement of cash flows for the year ended March 31, 2019

(Amounts in INR lacs unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities			
Profit before tax		852.59	1,695.59
Adjustments for			
Depreciation and amortisation expense		194.54	359.16
Finance costs		6,375.04	7,257.14
Dividend Income		-	(0.22)
Fair value (gains)/losses on financial asset measured at fair value through profit and loss		2.66	6.16
Interest income classified as investing cash flows		(2,123.48)	(2,190.48)
Sundry balances written back		(577.58)	(62.47)
Loss on sale of property plant and equipment		476.03	1.79
Gain on disposal of property, plant and equipment		(839.64)	(7,453.54)
Changes in operating assets and liabilities:			
Increase in inventories		(27,272.43)	(10,127.78)
Decrease /(Increase) in trade receivables		2,152.38	(1,421.09)
Decrease /(Increase) in other current assets		2,507.10	(3,121.20)
(Decrease)/Increase in trade payables		(4,051.38)	1,574.56
(Decrease)/Increase in provisions		(1,033.39)	709.37
Increase/(decrease) in other financial liabilities		10.22	(1.39)
(Decrease)/ Increase in other current liabilities		(3,504.06)	4,876.49
Cash used in from operations		(26,831.40)	(7,897.91)
Income taxes paid		351.55	45.34
Net cash outflow from operating activities		(26,479.85)	(7,852.57)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		974.42	11,202.19
Payments for purchase of property, plant and equipment		(118.19)	(111.30)
Dividend received		-	0.22
Proceeds from repayments of loan given		1,370.19	(0.14)
Bank deposits matured (having original maturity of more than 3 months)		(3,143.37)	128.36
Proceeds from maturity of bank deposits		1,430.70	(897.57)
Interest received		2,123.48	2,190.48
Net cash inflow from investing activities		2,637.23	12,512.24
Cash flows from financing activities			
Finance costs paid		(6,994.62)	(7,451.11)
Proceeds from borrowings		30,879.42	48,875.61
Repayment of borrowings		(1,293.61)	(45,519.62)
Net cash inflow/(outflow) from financing activities		22,591.19	(4,095.12)
Net increase in cash and cash equivalents		(1,251.43)	564.55
Cash and cash equivalents at the beginning of the year		1,147.24	582.69
Cash and cash equivalents at the end of the year		(104.19)	1,147.24

*Amount is below the rounding off norm adopted by the Company



Sheth Developers Private Limited
Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)

Background

Sheth Developers Private Limited ("the Company") is a private limited Company, incorporated and domiciled in India and has its registered office at Ground and 3rd Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (E), Mumbai-400057

The Company is engaged primarily in the business of real estate construction, development and other related real estate activities.

These standalone financial statements were authorised to be issued by the board of directors on 6th August 2019.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The standalone financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and financial liabilities measured at fair value;
- defined benefit plans - plan assets measured at fair value

(iii) Current – non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the schedule III (division II) to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 4 years for the purpose of current - non-current classification of assets and liabilities.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The board of directors of the Company has been identified as CODM as it assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 37 for segment information.



Reconciliation of cash and cash equivalents as per standalone statement of cash flows

Cash and cash equivalents comprise of :

Cash and cash equivalents (refer note 12)

Cash in hand	32.01	14.79
Current accounts	1,136.42	1,654.32
Fixed deposits (with maturity less than 3 months)	255.23	72.61
Bank overdrafts (refer note 21)	(1,527.85)	(594.48)
Cash and cash equivalents at the end of the year	(104.19)	1,147.24

The above standalone statement of cash flows should be read in conjunction with accompanying notes.

This is the standalone statement of cash flows referred to in our report of even date.

In terms of our report of even date.

For S.M. Gupta & Co

ICAI Firm's Registration No. - 310015E

Neena Ramgahria

Neena Ramgahria

Partner

Membership No - 067157



Mumbai

August 6th, 2019

For and on behalf of the Board of Directors

Ashwin N. Sheth

Ashwin N. Sheth
Director

DIN-00002053

Chintan A. Sheth

Chintan A. Sheth
Director

DIN-03423785

Ankush V Bhoir

Ankush V Bhoir

Company Secretary

Membership No: A30858

Mumbai

August 6th, 2019

Sheth Developers Private Limited

**Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)**

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes.

The Company followed Project Completion method of recognising revenue in the previous years.

With the introduction of Ind AS 115, with effect from 01st April, 2018, Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract. The Company invoices the customers for construction contracts based on achieving performance-related milestones

The revenue recognition of Completed buildings is the actual sales value of the units sold. The amounts collected during the construction of the building are accounted as "Advance from customers".

Revenue in respect of traded units is recognized as and when the agreement for sale is executed in respect of said units.

(e) Income tax

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.

(i) Current income tax



Sheth Developers Private Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2019 (All amounts in INR lakhs, unless otherwise stated)

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. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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.

(ii) Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements as at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

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 to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in associate where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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 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.

(f) Leases

(i) As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease



Sheth Developers Private Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(g) Impairment of assets

Assets, other than financial assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



Sheth Developers Private Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with 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.

For the purpose of presentation in the standalone statement of cash flows, cash and cash equivalents include outstanding bank overdraft shown within Short Term Borrowing in balance sheet and which are considered as integral part of the Company's cash management policy.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(j) Inventories

Inventories are valued as under:

(a) Inventory of completed saleable units

Inventory of completed saleable units and stock-in-trade of units is valued at lower of cost or net realisable value.

(b) Construction work-in-progress

The construction work-in-progress is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

(c) Construction materials

The construction materials are valued at lower of cost or net realisable value. Cost of construction material comprises cost of purchases on moving weighted average basis. Costs of inventory are determined after deducting rebates and discounts.

(k) Investments in subsidiaries, associates and joint ventures

Investments in equity instruments of subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the standalone statement of profit and loss.



Sheth Developers Private Limited
Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)

(I) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in profit or loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through profit or loss), or
- amortised cost

Debt instruments

Debt instruments are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

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 and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.



Sheth Developers Private Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)

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 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 or 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 income / expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. 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 in the period in which it arises. Interest income from these financial assets are recognised in other income.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the standalone statement of profit and loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

A financial asset is derecognised only when:

- 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.



Sheth Developers Private Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2019 (All amounts in INR lakhs, unless otherwise stated)

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.

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.

Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend income

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the standalone statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in the standalone statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.



Sheth Developers Private Limited
Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the standalone balance sheet where there is a legally enforceable right 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 right 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 the counterparty.

(m) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost comprises of the purchase price including import duties and non-refundable taxes and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Fixed Asset is provided to the extent of depreciable amount on the Written down value (WDV) Method. Depreciation is provided based on useful life of assets as prescribed in Schedule II to the Companies Act, 2013.

(n) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, are classified as investment properties. Investment properties are measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the WDV Method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.



Sheth Developers Private Limited
Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)

(o) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income / other expenses.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or operating cycle, as applicable. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are removed from the standalone 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 as other income / other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(q) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Capitalisation of borrowing costs is



Sheth Developers Private Limited
Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)

suspended and charged to the standalone statement of profit and loss during extended periods when active development activity on the qualifying asset is interrupted.

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

(r) Provisions and contingent liabilities

Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Contingent liabilities

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 the obligation or a reliable estimate of the amount cannot be made.

(s) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the standalone balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



Sheth Developers Private Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)

(iii) Post-employment obligations

The Company operates the following post-employment schemes.

- defined benefit plan i.e. gratuity
- defined contribution plans such as provident fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the standalone statement of changes in equity and in the standalone balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

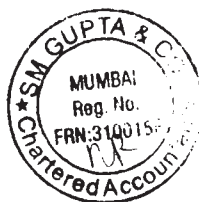
(t) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.



Sheth Developers Private Limited

**Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)**

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of respective class of equity shares of the Company
- By the weighted average number of equity shares (respective class wise) outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year (note 41)

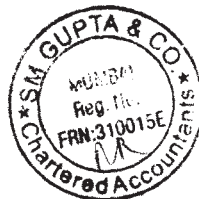
(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(w) Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs as per the requirement of the schedule III (division II) to the Act, unless otherwise stated.



Sheth Developers Private Limited

**Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)**

Note 1A : New standards/ amendments to existing standards issued but not yet adopted

Following are the amendments to existing standards which have been issued by the Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the Company:

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 01 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 01 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 01 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 01 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.



Sheth Developers Private Limited

**Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)**

Note 2: Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

a) Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (refer note 33).

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the approved budgets of the Company. The amounts recognised in the standalone financial statements in respect of each matter are derived from the Company's best estimation and judgment as described above (refer note 33).

b) Revenue and inventories –

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

c) Estimation of useful life of investment properties and property, plant and equipment

Investment properties and property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.



Sheth Developers Private Limited

**Notes to the standalone financial statements as at and for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)**

d) Estimated fair value of financial instruments

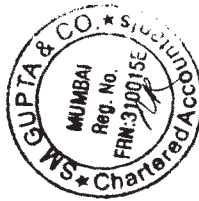
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer note 34.



Sheth Developers Private Limited
Note 3 - Property, plant and equipment

(Amounts in INR lacs unless otherwise stated)

Particulars	Building	Plant and machinery	Office equipment	Computers System and Equipments	Furniture and fixture	Vehicle	Total
Gross carrying amount							
Balance as at April 01, 2017	2,595.30	895.86	16.13	26.58	63.24	155.67	3,752.78
Additions	-	-	8.08	5.91	0.31	96.99	111.30
Adjustment of Disposal/Assets written off	(2,595.30)	-	-	-	-	(7.15)	(2,602.45)
Balance as at March 31, 2018	-	895.86	24.21	32.49	63.55	245.51	1,261.63
Additions	-	12.40	8.18	12.40	-	97.61	118.19
Adjustment of Disposal/Assets written off	-	(887.05)	(5.06)	(13.52)	(10.10)	(94.98)	(1,010.71)
Balance as at March 31, 2019	-	8.81	27.33	31.37	53.45	248.14	369.11
Accumulated depreciation							
Particulars	Building	Plant and machinery	Office equipment	Computers System and Equipments	Furniture and fixture	Vehicle	Total
Balance as at April 01, 2017	126.17	184.87	1.55	6.28	15.47	46.02	380.37
Depreciation charge for the year	77.61	145.32	6.95	5.76	11.51	50.26	297.41
Disposals	(203.78)	-	-	-	-	(0.60)	(204.38)
Balance as at March 31, 2018	-	330.19	8.50	12.05	26.98	95.68	473.40
Depreciation / amortisation expense for the year	-	114.67	6.87	7.87	8.31	56.43	194.15
Adjustment of Disposal/Assets written off	-	(440.23)	(0.00)	(0.08)	(2.03)	(52.69)	(495.05)
Balance as at March 31, 2019	-	4.63	15.37	19.84	33.26	99.42	172.51
Net carrying amount as at March 31, 2018	-	565.66	15.71	20.45	36.57	149.83	788.22
Net carrying amount as at March 31, 2019	-	4.18	11.96	11.53	20.19	148.72	196.58



Sheth Developers Private Limited

Note 4 - Investment Property

(Amounts in INR lacs unless otherwise stated)

Gross carrying amount	Investment Property
Particulars	
Balance as at April 01, 2017	1,537.37
Addition	-
Adjustment of Disposal	(1,435.90)
Balance as at March 31, 2018	101.47
Addition	
Adjustment of Disposal	(101.47)
Balance as at March 31, 2019	-

Accumulated depreciation

Particulars	Investment Property
Balance as at April 01, 2017	27.73
Depreciation charge for the year	61.75
Adjustment of Disposal/Assets written off	(83.52)
Balance as at March 31, 2018	5.95
Depreciation / amortisation expense for the year	0.39
Adjustment of Disposal/Assets written off	(6.34)
Balance as at March 31, 2019	-

Net carrying amount as at March 31, 2018 **95.52**

Net carrying amount as at March 31, 2019 **-**

Note:

Amounts recognised in the standalone statement of profit and loss for investment properties

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income	-	-
Direct operating expenses	-	-
Profit from investment properties before depreciation	-	-
Depreciation	-	-
Profit from investment properties	-	-

Fair Value of Investment Property

Balance as at March 31, 2018	95.52
Balance as at March 31, 2019	-

Estimation of Fair Value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current market prices in an active market for similar properties. Where such information is not available, the group consider information from variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and capitalisation rate derived from analysis of market evidence

The fair values of investment properties have been determined by the Company. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in Level 3.



Sheth Developers Private Limited

Note 5 - Intangible assets

(Amounts in INR lacs unless otherwise stated)

Gross carrying amount	
Particulars	Computer Software
Deemed cost as at April 01, 2017	0.16
Adjustment of Disposal	-
Balance as at March 31, 2018	0.16
Adjustment of Disposal	-
Balance as at March 31, 2019	0.16
Accumulated amortisation	
Particulars	Computer Software
Balance as at April 01, 2017	-
Amortisation charge for the period	-
Balance as at March 31, 2018	-
Amortisation charge for the period	-
Balance as at March 31, 2019	-
Net carrying amount as at March 31, 2018	0.16
Net carrying amount as at March 31, 2019	0.16

Note:

1. All Intangible assets held by the company are purchased and not internally generated.



Sheth Developers Private Limited

(Amounts in INR lacs unless otherwise stated)

Note 6 - Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Equity Shares		
Investments in subsidiaries		
Quoted		
1,79,970 (March 31, 2018:1,79,970) Equity Shares of Rs.10 each of Precious Trading & Investments Limited	24.55	24.55
Unquoted		
50,000 (March 31, 2018: 50,000) Equity Shares of Rs. 10/- each of Sheth Infrastructure Private Limited	5.00	5.00
Investments in associates		
Unquoted		
1 (March 31, 2018: 1) Equity Share of Rs.100 each of Sheth Shelters Pvt. Ltd.	0.00	0.00
26,077 (March 31, 2018:26,077) Equity Shares of AED. 1/- each of Sheth Estate (International) Limited	12,083.54	12,083.54
Total	12,113.09	12,113.09

Other Companies

Quoted		
18,040 (March 31, 2018:18,040) Equity Shares of Rs.2 each of Bank of Baroda	23.24	25.65
1,935 (March 31, 2018: 1,935) Equity Shares of Rs.10 each of Housing Development India Limited	0.50	0.75
Others		
10 (March 31, 2018:10)Equity Shares of Rs.50 each fully paid up of Vasant Garden Co-Op Hsq.Society Ltd.	0.005	0.005
Investment in Government Securities National Savings Certificates	0.20	0.20
Investment in R.B.I. Bonds R.B.I. - Pradhan Mantri Garib Kalyan Yojna.Scheme-2016-17	100.00	100.00
Total	123.94	126.60

Aggregate amount of quoted investments and market value thereof	48.29	50.95
Aggregate amount of unquoted investments	12,188.74	12,188.74
Aggregate amount of impairment in the value of investments	-	-

Note 7 - Non-current Loans

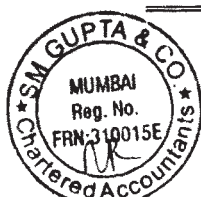
Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Deposits Paid	248.54	248.02
Total	248.54	248.02

Note 8 - Other non-current financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Balance in Fixed deposits (Maturity more than one year)	149.42	1,580.12
Total	149.42	1,580.12

Note 9 - Other Non Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Advance tax (net of provision of taxes)	1,467.48	1,894.51
Total	1,467.48	1,894.51



Sheth Developers Private Limited
Note 16 - Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised equity share capital		
10,00,000 (March 31, 2018: 10,00,000) Equity Shares of Rs. 100/- each	1,000.00	1,000.00
31,00,000 (March 31, 2018: 31,00,000 6% Redeemable Non Cumulative Non Participating Preference Shares of Rs 10/- each	310.00	310.00
	1,310.00	1,310.00
Issued, subscribed and paid up		
10,00,000 (March 31, 2018: 10,00,000) Equity Shares of Rs. 100/- each	1,000.00	1,000.00
Total	1,000.00	1,000.00

Movements in equity share capital

Authorised share capital		
Particulars	No. of shares	Amount
As at April 01, 2017	1,000,000	1,000.00
Increase/(decrease) during the year		
As at March 31, 2018	1,000,000	1,000.00
Increase/(decrease) during the year		
As at March 31, 2019	1,000,000	1,000.00
Issued, subscribed and paid up		
Particulars	No. of shares	Amount
As at March 31, 2017	1,000,000	1,000.00
Changes in equity share capital		
As at March 31, 2018	1,000,000	1,000.00
Changes in equity share capital		
As at March 31, 2019	1,000,000	1,000.00

Term: rights attached to equity shares

Equity shares

The company has only one class of equity shares having a par value of Rs 100 per share. Each holder of equity shares is entitled to one vote per share.

Preference Shares

The preference shares shall be redeemed at premium of Rs 190/- per share at any time at the option of the Company, but in no event earlier than 4 years from the date of allotment or such other period as may be required by law and not later than 20 years from the date of issue.

The preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Rs 0.60 per preference share per year.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held.

Details of shareholders holding more than 5% of shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Mr. Ashwin N. Sheth	737,550	73.76%	84,833	8.48%
Laxmi Prabha Impex & Investments Private Limited	150,865	15.09%	150,866	15.09%
Mr. Chintan A. Sheth jointly with Mr. Ashwin N. Sheth	54,000	5.40%	54,000	5.40%
Mr. Maulik A. Sheth jointly with Mr. Ashwin N. Sheth	54,000	5.40%	54,000	5.40%
Mr. Jitendra N. Sheth	-	-	164,014	16.40%
Mr. Vallabh N. Sheth	-	-	134,413	13.44%
Mrs. Renuka A. Sheth	-	-	84,830	8.48%
Mrs. Harsha J. Sheth	-	-	84,830	8.48%
Mr. Devrai V. Sheth jointly with Mr. Vallabh N. Sheth	-	-	62,000	6.20%
Mrs. Deepa V. Sheth jointly with Mr. Vallabh N. Sheth	-	-	54,000	5.40%

Note 17 - Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Securities premium account	5,656.68	5,656.68
Capital Reserve	100.00	100.00
General Reserve	5,465.00	5,465.00
Reserve for Earnings	3,586.81	3,195.36
Total	14,808.49	14,417.04

Securities premium account

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	5,656.68	5,656.68
Closing balance	5,656.68	5,656.68

Capital Reserve

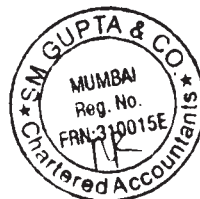
Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	100.00	100.00
Closing balance	100.00	100.00

General Reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	5,465.00	5,140.00
Add: Transferred from Debenture Redemption Reserve		325.00
Closing balance	5,465.00	5,465.00

Debenture Redemption Reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance		325.00
Less: Transferred to General Reserve		(325.00)
Closing balance		



Note 10 - Inventories

Particulars	As at March 31,	As at March 31,
	2019	2018
Construction Materials	1,924.41	3,520.17
Stock In Trade Of Finished Units	626.18	741.77
Stock In Trade Of Others	-	-
Construction WIP		
-- Land cost	1,233.81	1,022.40
-- Material costs	12,766.61	5,430.28
-- Labour costs	12,372.13	5,289.77
-- Other constructions costs	15,703.82	9,297.18
-- Finance costs	15,865.45	10,124.65
-- Administrative and other costs	6,212.11	4,005.87
Total	66,704.52	39,432.09

Note 11 - Trade receivables

Particulars	As at March 31,	As at March 31,
	2019	2018
Trade Receivables	587.74	2,740.12
Less: Allowance for doubtful debts	-	-
Trade Receivables (net)	587.74	2,740.12
Total	587.74	2,740.12
Current portion	587.74	2,740.12
Non-current portion	-	-
Total	587.74	2,740.12
Secured, considered good	-	-
Unsecured, considered good	587.74	2,740.12
Doubtful	-	-
Total	587.74	2,740.12
Allowance for doubtful debts	-	-
Total	587.74	2,740.12

Note 12 - Cash and cash equivalents

Particulars	As at March 31,	As at March 31,
	2019	2018
Cash in hand	32.01	14.79
Current accounts	1,136.42	1,654.32
Fixed deposits (with maturity less than 3 months)	255.23	72.61
Total	1,423.66	1,741.72

Note 13 - Other Bank Balances

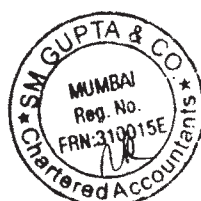
Particulars	As at March 31,	As at March 31,
	2019	2018
Fixed deposits (with maturity less than 12 months)	3,405.29	261.92
Total	3,405.29	261.92

Note 14 - Current loans

Particulars	As at March 31,	As at March 31,
	2019	2018
Loans and advances to related parties (refer note 38)	3,378.81	3,601.03
Loans and advances to other parties	25,366.73	26,515.22
Total	28,745.54	30,116.25

Note 15 - Other current assets

Particulars	As at March 31,	As at March 31,
	2019	2018
Advances for supply of goods and services	896.85	941.51
Advance for purchase of land (refer note 38)	41,005.96	41,975.07
Prepaid expense	5.95	6.85
Other receivables	1,618.39	3,321.63
Other Receivables from related parties (refer note 38)	112.06	98.38
Advance tax (net of provision of taxes)	197.13	-
Total	43,836.34	46,343.44



Retained earnings	As at March 31,	As at March 31,
Particulars	2019	2018
Opening balance	3,195.36	(2,245.92)
Net profit for the period	387.42	5,438.31
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post employment benefit obligation, net of tax	4.03	2.97
Closing balance	3,586.81	3,195.36

Securities premium account

The securities premium account is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

Capital reserve is created out of profits or gains of a capital nature. The capital reserve is available for utilisation against capital purpose and are not available for distribution of dividend.

General Reserve

General reserve are the retained earnings of the Group which are kept aside out of Group's profit to meet future (known or unknown) obligation.

Debenture Redemption Reserve

The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of redeemable non convertible and optionally convertible debentures.



Sheth Developers Private Limited

Note 18 - Long term Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Debentures (Secured)		
142 (March 31, 2018:123)Secured Redeemable Non Convertible Debentures of Face Value 1,00,00,000/- each	12,656.60	11,767.68
100 (March 31, 2018:100) Secured Redeemable Non Convertible Debentures Of Face Value Rs.10,00,000/- Each	530.93	991.39
Term loan from banks (Secured)		
From Financial Institutions		
-- Construction Loan	6,152.48	2,977.88
-- Vehicle Loan	105.84	61.23
From Banks		
-- Construction Loan	20,312.00	22,193.84
-- Bank Overdraft	6,522.18	2,587.27
Total	46,280.03	40,579.29

Terms of Loans

SECURED LOANS:

a) ICICI PRUDENTIAL REAL ESTATE AIF

Security against :

1. First and exclusive charge by way of registered mortgage on 10 Units of **Projects Fiona F - Wing flats**
2. Hypothecation of the entire receivables from developer's area.
3. Personal Guarantee of Promoter.

b) INDOSTAR CAPITAL FINANCE LIMITED

Security against :

1. First and exclusive charge on **Sheth Zuri Project** i.e. Registered Mortgage of Land/Development Right, Mortgage of unsold area, Charge of and Escrow of all the project receivables including from sold and unsold units.
2. Personal Guarantee from Mr. Ashwin Sheth.

c) J. M. FINANCIAL CREDIT SOLUTIONS LIMITED

Security against :

1. First and exclusive charge vide registered mortgage over the land and buildings forming part of Project Sheth Blue IVY Located at Goregaon, Mumbai ("**Sheth Blue IVY**").
2. First and exclusive mortgage over **Project Clarion** . Along will all sold receivables located at Kandivali (East), Mumbai ("Clarion").
3. Escrow and Hypothecation of receivables generated from the sales of sold / unsold units in the Project Sheth Blue IVY and Project Clarion.
4. Personal Guarantee of Mr. Ashwin Sheth.

d) INDUSIND BANK:

Security against :

Secured Against:First exclusive charge by way of registered mortgage on all the rights, interest and title for the project 1, project2, project 3, and project 4 as defined below.

1. Project 1 : Midori residential project located at Dahisar, Mumbai .
2. Project 2: Avalon residential project located at Thane .
3. Project 3: Glades & Ferns residential project (Part of Vasant Lawns) located at Thane.
4. Project 4: Sigma Estate industrial galas located at Prabhadevi, Mumbai.
5. First exclusive charge by way of hypothecation on all buildings & strutures & Project sold & unsold receivables for the Project 1, Project 2, Project 3, and Project 4 as defined above.
6. Personal Guarantee of Mr. Ashwin Sheth.
7. CG of Sheth Corp Pvt. Ltd. (SCPL) and Sheth Infracore Pvt. Ltd. (SIPL).

e) TATA CAPITAL HOUSING FINANCE LIMITED

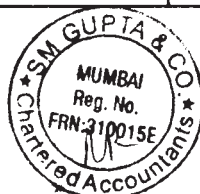
Security against :

- 1.Exclusive charge by way of registred mortgage on the entire land parcel at survey no.35/4 (part),35/8(part),and 35/9 (part) ,Panchpakhadi,Thane along with present and future construction of 'Proposed Project'.
- 2.Exclusive charge by way of hypothecation on all receivables including sold,unsold,insurance receipts as wellas development and other charges from units and any cash flow from the "proposed project" located Thane.
3. Personal Guarantee of Mr. Ashwin Sheth & Mr.Maulik Sheth.

Maturity Profile

Name	2019-20	2020-21	2021-22 and onwards
NCD issue to ICICI PRUDENTIAL REAL ESTATE AIF [#]	-	36.92	494.01
NCD issue to INDOSTAR CAPITAL FINANCE LIMITED [#]	726.96	7,100.00	5,556.60
J. M. FINANCIAL CREDIT SOLUTIONS LIMITED [#]	-	1,810.02	999.66
INDUSIND BANK [#]	-	5,750.89	21,083.29
TATA CAPITAL HOUSING FINANCE LIMITED [#]	-	-	3,342.80

[#] To the extent of Balance Outstanding



Sheth Developers Private Limited

Note 21 - Short term borrowings

Particulars	As at March 31,	As at March 31,
	2019	2018
Unsecured loans		
Loans from bodies corporate (repayable on demand)	5,276.86	1,618.44
Loans from related party (repayable on demand)	21,307.77	1,403.48
Bank Overdraft	1,527.85	594.48
Loans from subsidiary party	126.50	132.12
29,77,200 (29,77,200) 6% Redeemable Non Cumulative Non Participating Preference Shares of Rs 10/- each	297.72	297.72
Total	28,536.70	4,046.24

Note 22 - Trade payables

Particulars	As at March 31,	As at March 31,
	2019	2018
Total outstanding dues of micro enterprises and small enterprises	502.12	-
Trade payables to related parties (refer note 38)	1.45	1,073.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,228.92	8,665.80
Payable for purchase land	605.71	650.13
Total	6,338.20	10,389.58

Disclosures required under micro, small and medium enterprises act, 2006

Particulars	As at March 31,		As at March 31,	
	2019		2018	
	Principal	Interest	Principal	Interest
The principal amount and the interest due to the suppliers registered under the MSMED Act and remaining unpaid as at the year end	502.12	-		
The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-		
The principal amount and the interest paid to suppliers registered under the MSMED Act beyond the appointed day during the year	-	-		
Interest due and payable towards suppliers registered under MSMED Act for payments already made	-	-		
Further interest remaining due and payable for earlier years	-	-		

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.



Note 19 - Non-current financial liabilities

Particulars	As at March 31,	As at March 31,
	2019	2018
Security deposits received	1.50	9.60
Total	1.50	9.60

Note 20 - Non current provisions

Particulars	As at March 31,	As at March 31,
	2019	2018
Provision for tax	-	358.00
- Income Tax	128.01	114.84
Provision for Gratuity (refer note 32)	128.01	472.84



Note 23 - Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term debt	759.76	431.77
Interest accrued and due	488.28	1,089.92
Interest accrued but not due	-	17.93
Employee Benefits Payable	152.21	133.91
Total	1,400.25	1,673.53

Note 24 - Current provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity (refer note 32)	18.36	27.09
Provision for Expense	66.13	750.00
Total	84.49	777.09

Note 25 - Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Received For Land Sale (refer note 38)	1,909.37	17,368.55
Statutory dues payable	204.54	872.36
Advance from customers	62,765.06	50,719.70
Total	64,878.97	68,960.61



Sheth Developers Private Limited

Note 26 - Revenue from operations

(Amounts in INR lacs unless

Particulars	Revenue from sale of products	
	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Construction Projects	673.08	7,277.80
	673.08	7,277.80
Other Operating Income		
Sale Of TDR	735.00	-
Sales Of Traded Stock	12.39	6.39
Rent Income	20.38	24.22
CAM Income	1,424.35	1,299.59
	2,192.12	1,330.20
Total	2,865.20	8,608.00

Note 27 - Other Income

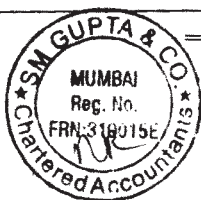
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividend Income	-	0.22
Interest Income		
--fixed deposits	202.72	99.86
-- income tax refund	81.87	104.76
-- loan given to related parties	188.33	197.44
-- loan given to other parties	1,641.60	1,768.85
-- from customers	8.96	19.57
Profit On Sale Of Fixed Asset - Land	189.05	2,827.74
Profit On Sale Of Fixed Asset - Building	649.25	4,625.80
Profit On Sale Of Fixed Asset - Vehicles & Others	1.34	-
Sundry Balances Written Back	577.58	62.47
Reimbursement Of Expenses - Income	10.55	-
Miscellaneous Income	372.26	121.76
Transfer Charges Received	33.47	-
Total	3,956.98	9,828.47

Note 28 (a) - Cost of materials consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Work in Progress	35,170.15	26,927.95
Add: Construction Expenses		
-- Cost of Land	211.41	(206.26)
-- Cost of Materials	7,522.00	2,497.77
-- Labour Cost	8,102.07	3,983.25
-- Fees, Taxes & Other Construction Expenses	6,687.22	5,308.58
-- Finance Cost	5,740.81	5,117.08
-- Administrative and other expenses	2,206.24	3,087.73
Add : Cost Of Sales Of Traded Goods	12.39	6.39
Less : Transfer to fixed assets	-	-
Less : Closing Work in Progress	(64,153.93)	(35,170.15)
Cost of Generation of TDR -- (i)	654.21	-
Cost of materials consumed -- (ii)	844.15	11,552.34
Total	1,498.36	11,552.34

(b) Change in inventory of finished goods and work-in-progress

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
Unsold units	741.77	601.60
Less: closing stock		
Unsold units	(626.18)	(741.77)
Total	115.59	(140.16)



Sheth Developers Private Limited
Note 32 - Employee benefit obligations

a) Post employment obligations

Gratuity - Defined benefit plan

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Particulars	<i>(Amounts in INR lacs unless otherwise stated)</i>	
	As at March 31, 2019	As at March 31, 2018
Gratuity	128.01	114.84
Total	128.01	114.84

Particulars	As at March 31,	
	2019	2018
Gratuity	18.36	27.09
Payable to employees	152.21	133.91
Total	170.57	161.00

Particulars	Amounts recognised in the statement of profit and loss	
	Year ended March 31, 2019	Year ended March 31, 2018
Amounts recognised in the statement of profit and loss		
Defined benefit plans		
Gratuity	30.98	34.57
Total	30.98	34.57

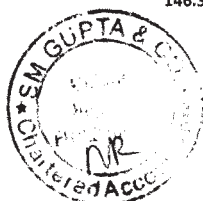
Particulars	Amounts recognised in the statement of other comprehensive income	
	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurements for:		
Gratuity	5.69	4.57
Total	5.69	4.57

Particulars	Amounts recognised as a liability - Gratuity	
	As at March 31, 2019	As at March 31, 2018
Present value of obligations	146.37	141.93
Fair value of plan assets	-	-
Deficit of plans	146.37	141.93
Present value of obligations	146.37	141.93
Total deficit of defined benefit obligations	146.37	141.93
Impact of minimum funding requirement/asset ceiling	-	-
Liability in the balance sheet	146.37	141.93

Gratuity plan

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligations	Fair value of plan assets	Net Amount
As at March 31, 2017	114.24	-	114.24
Current service cost	18.99	-	18.99
Past service cost	8.06	-	8.06
Interest expense/(income)	7.53	-	7.53
Total amount recognised in profit/loss	34.57	-	34.57
Remeasurements	-	-	-
(Gain)/loss from change in financial assumptions	(3.13)	-	(3.13)
Experience (gains)/losses	(1.44)	-	(1.44)
Change in asset ceiling, excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	(4.57)	-	(4.57)
Exchange differences	-	-	-
Contributions:	-	-	-
Employers	(2.31)	-	(2.31)
Plan participants	-	-	-
Benefit payments	-	-	-
As at March 31, 2018	141.93	-	141.93
Current service cost	21.28	-	21.28
Past service cost	-	-	-
Interest expense/(income)	9.70	-	9.70
Total amount recognised in profit/loss	30.98	-	30.98
Remeasurements	-	-	-
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	0.26	-	0.26
(Gain)/loss from change in financial assumptions	3.57	-	3.57
Experience (gains)/losses	(9.52)	-	(9.52)
Change in asset ceiling, excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	(5.69)	-	(5.69)
Exchange differences	-	-	-
Contributions:	-	-	-
Employers	-	-	-
Plan participants	-	-	-
Benefit payments	(20.85)	-	(20.85)
As at March 31, 2019	146.37	-	146.37



Note 29 - Employee benefit expenses

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Salaries, wages and bonus	517.97	406.47
Gratuity (refer note 32)	30.98	34.57
Total	548.95	441.04

Note 30 - Finance costs

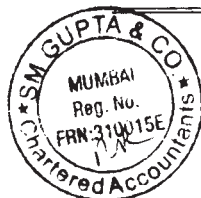
Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Interest on Borrowings from Banks and Financial Institutions	50.14	1,392.33
Interest on Borrowings from Others	583.04	621.90
Other borrowing costs	1.05	125.83
Total	634.23	2,140.06

Note 31 - Other expenses

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Advertisement & Brokerage	157.71	32.74
Printing and Stationery	11.05	11.15
Staff Recruitment Expenses	12.76	-
Conveyance & Vehicle up keep	25.19	26.50
Professional Charges	474.45	226.89
Repairs & Maintenance	12.20	105.23
Insurance Expenses	9.57	11.24
Travelling Expenses	41.07	23.10
Rent, Rates & Taxes	237.04	32.39
Audit Fees	4.25	3.88
Loss On Sale Of Fixed Asset/Discarded of Assets	476.03	1.79
Loss On Sale Of Investment	-	-
Sundry Expenses	410.72	844.94
Fair valuation loss on instruments mandatorily measured at fair value	2.66	6.16
C.A.M. Expenses	1,103.22	1,062.43
Total	2,977.92	2,388.44

Details of payments to auditors

Payment to auditors	Year ended	Year ended
	March 31, 2019	March 31, 2018
As auditor:		
Audit Fee	4.25	3.88
Others		
Total	4.25	3.88



Significant actuarial assumptions were as follows :

(Amounts in INR lacs
unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Discount rate	7.55%	7.55%
Salary growth rate	10.00%	10.00%
Mortality rate	Indian assured lives mortality (2006-08)	

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

**Impact on defined benefit obligation
(INR in lacs)**

Particulars	Change in assumption (in %)		Increase in assumption		Decrease in assumption	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
	Discount rate	0.50%	0.50%	4.43	3.73	(4.67)
Salary growth rate	0.50%	0.50%	(4.44)	(3.79)	4.29	3.65

The expected maturity analysis of undiscounted post-employment defined benefit obligations is as follows:

Particulars	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at March 31, 2019					
Gratuity		31.87	60.99	155.12	247.98
Total	-	31.87	60.99	155.12	247.98
As at March 31, 2018					
Gratuity		44.69	55.80	131.91	232.40
Total	-	44.69	55.80	131.91	232.40

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.



Sheth Developers Private Limited

Note 33 - Taxation

(a). Income tax expense	Year ended	
	March 31, 2019	Year ended March 31, 2018
Particulars		
Current tax		
Current tax on Profit for the year	180.12	358.00
Adjustment to current tax of prior periods	(102.98)	(370.03)
Total current tax expenses	77.13	(12.03)
Deferred tax		
Decrease/(Increase) in deferred tax assets	505.84	(3,437.38)
(Decrease)/Increase in deferred tax liabilities	116.14	281.72
Total deferred tax expenses/(benefit)	389.70	(3,729.10)
Income tax expense	466.83	(3,741.13)
Income tax expense attributable to :		
Profit from operations	465.17	(3,742.72)
Total	465.17	(3,742.72)
(b). Reconciliation of tax expense and accounting profit multiples by India tax rate		
Particulars	Year ended	
	March 31, 2019	Year ended March 31, 2018
Profit from operations before income tax expense	852.59	1,695.59
India tax rate	29.12%	34.61%
Tax at India tax rate	248.27	586.84
Tax effect of amounts which are not deductible (allowable)		
in calculating taxable income :		
Others	218.56	(4,327.98)
	218.56	(4,327.98)
Income tax expense	466.84	(3,741.14)



(C). Deferred tax asset (net)

The balance comprises temporary differences attributable to :

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax asset:		
Unabsorb Depreciation	402.93	483.52
43B Disallowance		
Carried forward long term Capital losses	2,928.35	3,706.34
Carried forward Business losses	81.24	102.47
House Property	730.42	358.00
MAT Credit Entitlement	4,142.94	4,650.33
Other items:		
Difference in tax base and book base of financial instruments measured at amortised cost	51.15	49.60
Others	51.15	49.60
Total deferred tax assets	4,194.09	4,699.93

Deferred tax liability:

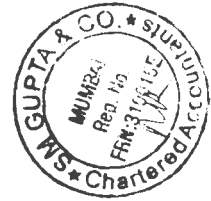
Property plant and equipment and intangible assets	(262.56)	(147.82)
Financial assets at fair value through profit & loss	2.30	3.70
Others		
Total deferred tax liabilities	260.26	144.12
Net deferred tax assets	4,454.35	4,844.05

Movement in deferred tax assets

Particulars	Unabsorb Depreciation	43B Disallowance	Carried forward long term Capital losses	Difference in tax base and book base of financial instruments measured at amortised cost	MAT Credit Entitlement	Carried forward Business Loss	Other items	Total deferred tax assets
As at March 31, 2017	337.60	47.24	877.71	-	-	-	-	1,262.55
(Charged)/credited : to Profit and loss								
to other comprehensive income	145.92	(47.24)	(877.71)	-	358.00	3,706.34	150.88	3,436.19
Deferred tax on basis adjustment	-	-	-	-	-	-	1.19	1.19
As at March 31, 2018	483.52	-	-	-	358.00	3,706.34	152.07	4,699.93
(Charged)/credited : to Profit and loss								
to other comprehensive income	(80.59)	-	-	-	372.42	(777.99)	(19.67)	(505.82)
Deferred tax on basis adjustment	-	-	-	-	-	-	-	-
As at March 31, 2019	402.93	-	-	-	730.42	2,928.35	132.39	4,194.09

Movement in deferred tax liabilities

Particulars	Property plant and equipment and intangible assets	Financial assets at fair value through profit & loss	Others	Total deferred tax liabilities
As at March 31, 2017	141.75	5.85	-	147.60
(Charged)/credited : to Profit and loss				
to other comprehensive income	289.57	2.15	-	291.72
Deferred tax on basis adjustment	-	-	-	-
As at March 31, 2018	(147.82)	3.70	-	(144.12)
(Charged)/credited : to Profit and loss				
to other comprehensive income	114.74	1.39	-	116.13
Deferred tax on basis adjustment	-	-	-	-
As at March 31, 2019	(262.56)	2.30	-	(260.26)



Sheth Developers Private Limited

Note 34 - Fair value measurement

(Amounts in INR lacs unless otherwise stated)

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVPL	FVOCI	FVPL	FVOCI
Financial Instruments by category				
Financial Assets				
Investments	23.74	-	26.40	-
Loans and advances	-	-	-	100.21
Balance in Fixed deposits	-	-	-	30,364.27
Trade Receivables	-	-	-	1,380.12
Cash and cash equivalents	-	-	-	27,740.12
Other bank balances	-	-	-	1,741.72
	-	-	-	261.92
Total financial assets	23.74	-	26.40	36,788.36
Financial Liabilities				
Borrowings	-	-	-	45,057.30
Trade payables	-	-	-	10,389.58
Security deposits	-	-	-	9.60
Accrued interest	-	-	-	1,107.86
Total financial liabilities	-	-	-	56,564.34

Fair value hierarchy
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. The fair values of financial assets measured at amortised cost are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Financial assets and liabilities measured at fair value

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments	23.74	-	-	23.74
Derivative financial assets	-	-	-	-
Total	23.74	-	-	23.74
As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments	26.40	-	-	26.40
Total	26.40	-	-	26.40

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize 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 level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rates applicable are equal to the current market rate of interest.



Sheth Developers Private Limited

Note 35 - Financial Risk Management

The Company's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

A. Credit Risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Trade receivables

Credit risks related to receivables resulting from sale of inventories is managed by requiring customers to pay the dues before transfer of possession, therefore, substantially eliminating the Company's credit risk in this respect.

B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans.

a. Financing arrangements

The Company had access to bank overdraft facilities. These facilities may be drawn at any time and may be terminated by the bank without notice.

b. Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Repayable on demand	Less than 1 year	More than 1 year	Total
As at March 31, 2019				
Bank Overdraft	1,527.85	-	-	1,527.85
Borrowings	-	27,008.85	46,280.03	73,288.88
Trade payables	-	6,338.20	-	6,338.20
Other financial liabilities	-	1,400.25	1.50	1,401.75
As at March 31, 2018				
Bank Overdraft	594.48	-	-	594.48
Borrowings	-	3,451.77	40,579.29	44,031.06
Trade payables	-	10,389.58	-	10,389.58
Other financial liabilities	-	1,673.53	9.60	1,683.13

C. Market risk

Foreign currency risk

1. Foreign currency exposure

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not materially exposed to any foreign exchange risk during the reporting periods.

2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market rate is limited to borrowings (excluding vehicle loans and non-convertible debentures) which bear floating interest rate. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period is as follows:

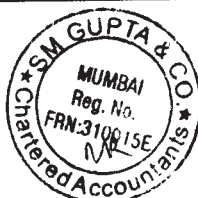
(a) Interest rate exposure

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Variable rate borrowings	36,226.98	24,000.00
Fixed rate borrowings (including interest on debentures)	14,419.17	16,369.23
Total	50,646.15	40,369.23

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Company's profit before tax will be impacted by a change in interest rate as follows:

Particulars	Increase/(decrease) in profit before tax	
	Year ended March 31, 2019	Year ended March 31, 2018
Increase in interest rate by 20 basis points (20 bps)	72.45	48.00
Decrease in interest rate by 20 basis points (20 bps)	(72.45)	(48.00)



Sheth Developers Private Limited

Note 36 - Capital Management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by

Total 'equity' (as shown in the balance sheet). The gearing ratios were as follows:

Particulars	<i>(Amounts in INR lacs unless otherwise stated)</i>	
	As at March 31, 2019	As at March 31, 2018
Net debt	74,152.82	43,315.57
Total Equity	15,808.49	15,417.04
Net debt to equity ratio	4.69	2.81

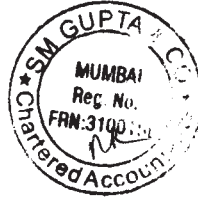
Note 37 - Segment information

The board of directors (BOD) is the Company's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the BOD for the purposes of allocating resources and assessing performance.

Presently, the Company is engaged in only one segment viz 'Real estate and allied activities' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. The Company has operations only within India. Entity wide disclosure for the same is given below.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the standalone financial statements as of and for the year ended March 31, 2019.

Non-current assets excluding financial assets and deferred tax assets amounting to Rs.1664.23 (March 31, 2018: 2778.4) are located entirely in India.



Sheth Developers Private Limited

Note 38 - Related party disclosures

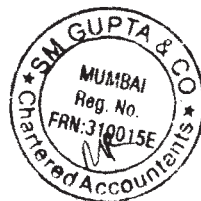
Sr. No.	Name of the Related Party	Relationship
1	Precious Trading and Investments Limited	(A) Subsidiary Companies
2	Sheth Infrastructure Private Limited	
3	Sheth Estate (International) Limited	
4	Sheth Developers & Realtors (India) Limited	
5	Sheth Realcon Ventures Private Limited	
6	Sheth Building Materials Private Limited	
7	Laxmi Prabha Impex and Investments Private Limited	
8	Sheth Shelters Private Limited	
9	Sheth Corp Private Limited	
10	Sheth Infracore Private Limited	
11	Sheth Lifestyles Private Limited	
12	Sheth Dreamhomes Private Limited	(B) Enterprises over which Directors / Key Managerial Personnel are able to exercise significant influence
13	Sheth Infracity Private Limited	
14	Sheth Universal Private Limited	
15	Sheth Realty (India) Private Limited	
16	Sheth Aviation Private Limited	
17	Sheth Development Private Limited	
18	Sheth Holdings (India) Private Limited	
19	Sheth Homes Private Limited	
20	Sheth Infra Estate Private Limited	
21	Sheth Smarthomes Private Limited	
22	Alpha Business Consultants Private Limited	
23	Viviana Malls Private Limited	
24	Lohitka Properties LLP	
25	Sanjeevani Vyapaar LLP	
26	Sheth Abode LLP	
27	Ashwin N. Sheth (Managing Director)	(C) Directors / Key Management Personnel / Relative of Director
28	Chintan A. Sheth (Director)	
29	Maulik A. Sheth (Director)	
30	Vasantben N. Sheth (Relative Of Director)	

b). Transactions with Related parties

(Amounts in INR lacs unless otherwise stated)

Sr. No.	Particulars	Subsidiary Companies	Enterprises over which Directors / Key Managerial Personnel are able to exercise significant influence	Directors/ Key Managerial Personnel/ Relative of Director
		(A)	(B)	(C)
1	Expenses incurred on behalf of the Company by Related Parties	-	6.53 (7.13)	-
2	Interest Expenses	-	7.84 (13.56)	266.58 (213.98)
3	Purchase of Material	-	7.04 (6.21)	-
4	Interest Income	-	188.33 (197.44)	-
5	Sale of Material	-	6.52 (0.62)	-
6	Expenses incurred by the Company on behalf of Related Parties	-	133.19 (0.73)	-
7	Remuneration to Director	-	-	174.52
8	Outstanding balances as at 31.03.2019			
	(A) Loans & Advances (Given)	4.98 (4.60)	21,142.10 (3,304.06)	- (390.65)
	(B) Loans & Advances(Taken)	126.50 (132.12)	2,305.82 (17,365.89)	20,857.76 (1,367.72)

(Figures in brackets represent previous year figures.)



1) Expenses incurred on behalf of the Company by related parties

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Corp Private Limited	-	6.53	-
	Total	-	6.53	-

2) Interest Expenses

Sr. No.	Name	(A)	(B)	(C)
1	Laxmi Prabha Impex & Investment Pvt Ltd	-	7.81	-
2	Sheth Corp Private Limited	-	0.03	-
3	Ashwin N. Sheth	-	-	266.58
	Total	-	7.84	266.58

3) Purchase of Material

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Corp Private Limited	-	-	-
2	Sheth Infraworld Private Limited	-	7.04	-
	Total	-	7.04	-

4) Interest Income

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Estate (International) Limited	-	182.90	-
2	Sheth Developers & Realtors (India) Limited	-	-	-
3	Sheth Infraworld Private Limited	-	5.43	-
	Total	-	188.33	-

5) Sale of Material

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Infraworld Private Limited	-	6.52	-
	Total	-	6.52	-

6) Expenses incurred by the Company on behalf of related parties

Sr. No.	Name	(A)	(B)	(C)
1	Lohitka Properties LLP	-	82.02	-
2	Sheth Infraworld Private Limited	-	26.64	-
3	Sanjeevani Vyapaar LLP	-	24.53	-
4		-	-	-
	Total	-	133.19	-

6) Remuneration to Director

Sr. No.	Name	(A)	(B)	(C)
1	Ashwin N. Sheth (Managing Director)	-	-	87.26
2	Chintan A. Sheth (Director)	-	-	43.63
3	Maulik A. Sheth (Director)	-	-	43.63
	Total	-	-	174.52

7 A) Outstanding balance of unsecured loan given and other advances

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Infrastructure Private Limited	4.98	-	-
2	Sheth Estate (International) Limited	-	3,078.66	-
3	Sheth Infraworld Private Limited	-	14.49	-
4	Sheth Shelters Private Limited	-	289.73	-
5	Sheth Corp Private Limited	-	17,656.20	-
6	Sheth Developers & Realtors (India) Limited	-	0.12	-
9	Lohitka Properties LLP (Trade Receivable)	-	53.21	-
10	Sanjeevani Vyapaar LLP (Trade Receivable)	-	49.69	-
	Total	4.98	21,142.10	-

7 B) Outstanding balance of unsecured loan taken and other advances (including interest accrued)

Sr. No.	Name	(A)	(B)	(C)
1	Laxmi Prabha Impex and Investments Private Limited	-	84.52	-
2	Sheth Building Material Private Limited	-	83.31	-
3	Sheth Corp Private Limited	-	54.45	-
4	Lohitka Properties LLP	-	-	-
5	Precious Trading and Investments Limited	126.50	-	-
6	Sheth Realcon Ventures Private Limited	-	227.72	-
7	Vasantben N. Sheth	-	-	-
8	Ashwin N. Sheth	-	-	20,857.76
9	Sheth Corp Private Limited (Trade Payable)	-	-	-
10	Sheth Infraworld Private Limited (Trade Payable & Advance received)	-	1,855.82	-
	Total	126.50	2,305.82	20,857.76



Sheth Developers Private Limited

Note 39 - Contingent liabilities and contingent assets

(Amounts in INR lacs unless otherwise stated)

The Company are involved in few legal proceedings. After considering the circumstances and based on legal consultation view, management believes that these proceedings will not affect its financial statements.

Note 40 - Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Property, Plant and Equipment	-	-
Investment Property	-	-
Intangibles	-	-
Total	-	-

(b) Non cancellable operating leases

Particulars	As at March 31, 2019	As at March 31, 2018
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within 1 year		
Later than 1 year but not later than 5 years		
Later than 5 year		
Total	-	-

Rental expense relating to operating leases

Particulars	As at March 31, 2019	Year ended March 31, 2018
Minimum lease payments		
Total rental expense relating to operating leases		-



Sheth Developers Private Limited

Note 41 - Earnings per share

(Amounts in INR lacs unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	387.42	5,438.31
Weighted average number of Equity shares	1,000,000	1,000,000
Share of profit attributable to Equity shares	387.42	5,438.31
Nominal value per equity share (INR)	100	100
Earnings per Equity shares (basic and diluted) (INR)	38.74	543.83

Note 42 - Disclosure under Ind AS 115 - Revenue from Contracts with customers

1) The Ministry of Corporate Affairs vide notification dated 28th March 2018 has made Ind AS 115 "Revenue from Contracts with Customers" (Ind AS 115) w.e.f. 1st April, 2018. The Company has applied the modified retrospective approach as per para C3(b) of Ind AS 115 to contracts that were not completed as on 1st April 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. 1st April, 2018 in accordance with para C7 of Ind AS 115 as an adjustment to the opening balance of Other Equity, only to contracts that were not completed as at 1st April, 2018. The transitional adjustment of Rs.4,471.14 Lakh has not been adjusted against opening Other Equity based on the requirements of the Ind AS 115 pertaining to recognition of revenue based on satisfaction of performance obligation (at a point in time).

2) For sales of property under development that were recognised as per the previous year accounting policy, the Company has determined that they generally do not meet the criteria for recognising revenue over time under Ind AS 115 owing to non-enforceable right to payment from Customer for performance completed to date and, therefore recognises revenue at a point in time.

3) Refer note 1.D - "Revenue recognition" under Significant accounting policies .

4) There has been no material impact on the Cash flows Statement as the Company continues to collect from its Customers based on payment plans. Additionally there is no material impact on Other Comprehensive Income on account of Ind AS 115 transition.

A. Disaggregation of revenue from Contract with Customers

Set out below is the disaggregation of the Company's revenue from contracts with customers.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations		
(i) Revenue from Contract with customers		
Revenue from Construction Projects	673.08	7,277.80
(ii) Revenue from other		
Other Operating Income	2,192.12	1,330.20
Total Revenue cover under Ind AS 115	2,865.20	8,608.00

B. Contract balances

The following table provides information about receivable and contract liabilities from contract with customers:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contract liabilities		
Advance from Customers and other receipt	62,765.06	50,719.70
Total contract liabilities	62,765.06	50,719.70
Receivables		
Trade Receivables	587.74	2,740.12
Total receivables	587.74	2,740.12

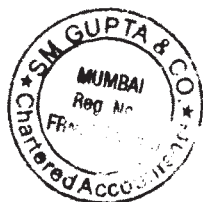
Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Note 43 - Previous years figures have been regrouped/reclassified wherever necessary to confirm this years's classification

In terms of our report of even date.

For S.M. Gupta & Co
ICAI Firm's Registration No. 2310015E

Deena Ramgaria
Neena Ramgaria
Partner
Membership No - 067157



Mumbai
August 6th, 2019

For and on behalf of the Board of Directors

Ashwin N. Sheth
Ashwin N. Sheth
Director
DIN-00002053

Chintan A. Sheth
Chintan A. Sheth
Director
DIN-03423785

Ankush V Bhoir
Ankush V Bhoir
Company Secretary
Membership No: A30858

Mumbai
August 6th, 2019

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Unaudited Standalone Balance Sheet as at January 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
ASSETS			
Non-current assets			
Financial assets			
i. Investments	1	913.79	953.68
Total non-current assets		913.79	953.68
Current assets			
Financial assets			
i. Cash and Cash Equivalents	2	42.02	0.75
ii. Loans	3	14,950.09	126.50
Total current assets		14,992.11	127.25
Total assets		15,905.90	1,080.93
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	24.00	24.00
Other equity	4	15,881.77	1,056.27
Total equity		15,905.77	1,080.27
Liabilities			
Current liabilities			
Financial liabilities			
i. Trade payables	5	-	0.43
Provisions	6	0.11	0.23
Other current liabilities	7	0.02	0.00
Total current liabilities		0.13	0.66
Total liabilities		0.13	0.66
Total equity and liabilities		15,905.90	1,080.93

For and on behalf of the Board of Directors

Sd/-
Ashwin N. Sheth
Director
DIN-00002053

Place : Mumbai
Date : 3rd June ,2020

Sd/-
Sharad N Doshi
Director
DIN-06968835

Place : Mumbai
Date : 3rd June ,2020

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Unaudited Statement of Profit & Loss for the Period ended January 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note No.	Period ended January 31, 2020 (Unaudited)	Period ended March 31, 2019 (Audited)
Revenue From Operations			
Other Income	8	14,831.66	-
Other Expenses	9	6.16	8.63
Total expenses		6.16	8.63
Profit/(Loss) Before Tax		14,825.50	(8.63)
Income tax expense*			
- Current tax			-
- Deferred tax			-
Total tax expense/(credit)		-	-
Profit/(Loss) for the year		14,825.50	(8.63)
Other Comprehensive income (Net of tax)			-
Other Comprehensive income for the year		-	-
Total comprehensive income for the year		14,825.50	(8.63)

* In view of the above, tax payable if any, will be given effect to, at the time of finalization of accounts or giving effect to scheme of merger whichever is earlier.

For and on behalf of the Board of Directors

Sd/-
Ashwin N. Sheth
Director
DIN-00002053

Place : Mumbai
Date : 3rd June ,2020

Sd/-
Sharad N Doshi
Director
DIN-06968835

Place : Mumbai
Date : 3rd June ,2020

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Unaudited Statement of Changes in Equity for the year ended January 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
As at March 31, 2018 (Audited)	24.00
Changes in equity share capital	-
As at March 31, 2019 (Audited)	24.00
Changes in equity share capital	-
As at January 31, 2020 (Unaudited)	24.00

B. Other equity

Particulars	Reserves and surplus		Total other equity
	Capital reserve	Retained Earnings	
As at March 31, 2018 (Audited)	982.66	82.24	1,064.90
Profit for the year		(8.63)	(8.63)
Other comprehensive income (Net of tax)		-	-
Total comprehensive income for the year	982.66	73.61	1,056.27
As at March 31, 2019 (Audited)	982.66	73.61	1,056.27
Profit for the year		14,825.50	14,825.50
Other comprehensive income (Net of tax)		-	-
Total comprehensive income for the year	982.66	14,899.11	15,881.77
As at January 31, 2020 (Unaudited)	982.66	14,899.11	15,881.77

For and on behalf of the Board of Directors

Sd/-
Ashwin N. Sheth
Director
DIN-00002053

Place : Mumbai
Date : 3rd June ,2020

Sd/-
Sharad N Doshi
Director
DIN-06968835

Place : Mumbai
Date : 3rd June ,2020

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

Note 1 - Non-Current Investments

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Investment in Equity Instruments (Unquoted)		
Investment in Associate (at cost)		
Sheth Developers & Realtors (I) Ltd. (66,25,074 (March 2019: (1,37,70,000) fully paid up	36.99	76.88
Investment in Other Equity (at FVTPL)		
Sheth Shelter P.Ltd(1 fully paid up share of Rs. 100)	0.00	0.00
Other Investments (at FVTPL)		
Investment in Preference Shares		
Sheth Shelter Private Ltd (4,38,400, 6% Redeemable Non-Cumulative, Non-Participating preference shares of Rs. 10/- each and Premium of Rs.190/- per share)	876.80	876.80
Total	913.79	953.68

Aggregate amount of unquoted investments 913.79 953.68

Aggregate amount of impairment in the value of investment -

Refer Note 12 for information on credit risk and Market risk.

Note 2 - Cash and cash equivalents

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Cash on Hand	0.01	0.01
Balances with Banks:		
In current accounts	42.02	0.74
Fixed deposits (with maturity less than 3 months)	-	-
Total	42.02	0.75

Note 3 - Current Loans

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Unsecured, considered good		
Loans to related parties- Receivable on demand	5,449	127
Loans and advances to other parties	9,500	-
Advance tax	0.21	-
Prepaid expense	0.89	-
Total	14,950.09	126.50

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

Note 4 - Equity Share capital and other equity

4(a) Equity share capital

(i) Authorised share capital

Particulars	Number of shares	Equity share capital
As at March 31, 2018 (Audited)	250,000	25.00
Increase during the year	-	-
As at March 31, 2019 (Audited)	250,000	25.00
Increase during the year	-	-
As at January 31, 2020 (Unaudited)	250,000	25.00

(ii) Issued, subscribed and paid-up share capital

Particulars	Number of shares	Equity share capital
As at March 31, 2018 (Audited)	240,000	24.00
Increase during the year	-	-
As at March 31, 2019 (Audited)	240,000	24.00
Increase during the year	-	-
As at January 31, 2020 (Unaudited)	240,000	24.00

(iii) Terms and rights attached to equity shares

a) The company has one class of equity share having a par value of ₹ 10/- per share. Each share is entitled to one vote.

b) In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently.

(iv) Share of the company held by holding/ultimate holding company

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Sheth Developers Private Limited	179,970	179,970

(vi) Details of shareholders holding more than 5% shares in the company

Particulars	As at January 31, 2020 (Unaudited)		As at March 31, 2019 (Audited)	
	No of Shares	% holding	No of Shares	% holding
Sheth Developers Pvt. Ltd.	179,970	74.99%	179,970	74.99%

4(b) Reserves and surplus

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Retained Earnings	14,899.11	73.61
Capital Reserve	982.66	982.66
Total	15,881.77	1,056.27

(i) Retained Earnings

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Opening balance	73.61	82.24
Net Profit / (Loss) for the year	14,825.50	(8.63)
Items of other comprehensive income recognised	-	-
Closing balance	14,899.11	73.61

(ii) Capital Reserve

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Opening balance	982.66	982.66
Appropriations during the year	-	-
Closing balance	982.66	982.66

Precious Trading and Investments Limited

[CIN : L51900MH1983PLC029176]

Notes to Standalone financial statements (Continued...)

(All amounts in INR lakhs, unless otherwise stated)

Note 5 - Trade Payables

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Trade payable - Micro and small enterprises*	-	-
Trade Payables - Other than micro and small enterprises	-	0.43
Total	-	0.43

* Based on the information available with the Company there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.

Refer note 12 for information about liquidity risk and trade payables.

Note 6- Short term Provisions

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Provision for Expenses	0.11	0.23
Total	0.11	0.23

Note 7 - Other Current Liabilities

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Statutory Liabilities	0.02	0.00
Total	0.02	0.00

Note 8 - Other Non- Operating income

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Interest Income	81.56	-
Dividend Income	5,995.67	-
Profit on Account of Capital reduction	8,754	-
Total	14,831.66	-

Note 9 - Other expenses

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Advertisement Expenses	0.32	0.37
Auditors remuneration (including taxes.)	-	-
- Audit fee	-	0.24
- Other fee	1.49	-
Legal Charges	-	3.34
Other Fees & Stamps	0.33	0.36
Filing fees and stamping charges	0.65	0.10
Stock Exchange Listing Fees	2.69	2.95
Bank Charges	0.68	0.67
Miscellaneous expenses	0.00	0.62
Total	6.16	8.63

Sheth Developers Private Limited

(Amounts in INR lacs unless otherwise stated)

Unaudited Balance Sheet as at January 31, 2020			
Particulars	Notes	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	165.68	196.58
Investment Properties	4	-	-
Intangible assets	5	0.16	0.16
Investment in Subsidiaries and associates	6	12,113.09	12,113.09
Financial assets			
- Investments	6	116.97	123.94
- Loans	7	237.84	248.54
- Other financial assets	8	702.59	149.42
Deferred tax assets (net)	33	4,454.34	4,454.34
Other non-current assets	9	1,505.01	1,467.48
Total non-current assets		19,295.68	18,753.55
Current assets			
Inventories	10	75,473.32	66,704.52
Financial assets			
- Trade receivables	11	200.35	587.74
- Cash and cash equivalents	12	1,379.93	1,423.66
- Bank balances other than above	13	2,233.07	3,405.29
- Loans	14	3,638.55	28,745.54
Other current assets	15	59,247.53	43,836.34
Total current assets		142,172.75	144,703.09
TOTAL ASSETS		161,468.43	163,456.64
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,000.00	1,000.00
Other equity	17	16,431.60	14,808.49
Total equity		17,431.60	15,808.49
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	30,572.58	46,280.03
- Security deposits	19	-	1.50
Provisions	20	146.37	128.01
Total non-current liabilities		30,718.95	46,409.54
Current liabilities			
Financial liabilities			
- Borrowings	21	26,152.11	28,536.70
- Trade payables	22	8,003.50	6,338.20
- Other financial liabilities	23	15,156.30	1,400.25
Provisions	24	1,120.64	84.49
Other current liabilities	25	62,885.33	64,878.97
Total current liabilities		113,317.88	101,238.61
Total liabilities		144,036.83	147,648.15
TOTAL EQUITY AND LIABILITIES		161,468.43	163,456.64

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date.

For and on behalf of the Board of Directors

Sd/-
Ashwin N. Sheth
Director
DIN-0002053

Sd/-
Ankush V Bhoir
Company Secretary
Membership No. A30858

Place : Mumbai
Date : 15th May ,2020

Sheth Developers Private Limited

(Amounts in INR lacs unless otherwise stated)

Unaudited Statement of profit and loss for the year ended January 31,2020

Particulars	Notes	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Income			
Revenue from operations	26	17,332.22	2,865.20
Other income	27	910.17	3,956.98
Total income		18,242.39	6,822.18
Expenses			
Cost of material consumed	28 (a)	42,831.46	1,498.36
Changes in Inventories	28 (b)	(29,598.05)	115.59
Employee benefit expenses	29	609.38	548.95
Finance Cost	30	992.28	634.23
Depreciation and amortisation expense	3,4, 5	60.83	194.54
Other expenses	31	1,825.64	2,977.92
Total expenses		16,721.53	5,969.59
Profit before tax		1,520.86	852.59
Income tax expense			
- Current tax (MAT)		-	180.12
- Deferred tax	33	-	388.04
Income Tax Previous year Adjustment		(102.25)	(102.99)
Total tax expense	33	(102.25)	465.17
Profit for the year		1,623.12	387.42
Other comprehensive Income			
Items that will not be reclassified to profit and loss			
Remeasurement gains/(losses) on net defined benefit plans	32	-	5.69
Deferred tax relating to above	33	-	(1.66)
Other comprehensive income for the year, net of tax		-	4.03
Total comprehensive Income for the year		1,623.12	391.44
Earnings per equity share			
Basic earning per share	41	162.31	38.74
Diluted earning per share	41	162.31	38.74

The above statement of profit and loss should be read in conjunction with the accompanying notes.

For and on behalf of the Board of Directors

Sd/-
Ashwin N. Sheth
Director
DIN-00002053

Sd/-
Ankush V Bhoir
Company Secretary
Membership No. A30858

Place : Mumbai
Date : 15th May, 2020

Sheth Developers Private Limited

Un Audited Statement of changes in equity for the year ended January 31, 2020

(Amounts in INR lacs
unless otherwise stated)

A. Equity share capital	Particulars	Notes	No. of shares	Amount
	Balance as at March 31, 2018		1,000,000	1,000
	Changes in equity share capital	16	-	-
	Balance as at March 31, 2019		1,000,000	1,000
	Changes in equity share capital	16	-	-
	Balance as at January 31, 2020		1,000,000	1,000

B. Other equity	Particulars	Securities premium account	Capital Reserve	General Reserve	Debture Redemption Reserve	Retained Earnings	Total other equity
	Balance as at March 31, 2018	5,656.68	100.00	5,465.00	-	3,195.36	14,417.04
	Profit/(loss) for the year					387.42	387.42
	Other comprehensive income for the year, net of tax					4.03	4.03
	Total comprehensive income for the year					391.45	391.45
	Balance as at March 31, 2019	5,656.68	100.00	5,465.00	-	3,586.81	14,808.49
	Profit/(loss) for the year					1,623.12	1,623.12
	Other comprehensive income for the year, net of tax					-	-
	Total comprehensive income for the year					1,623.12	1,623.12
	Balance as at January 31, 2020	5,656.68	100.00	5,465.00	-	5,209.92	16,431.60

The above statement of changes in equity should be read in conjunction with the accompanying notes.

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date.

For and on behalf of the Board of Directors

Sd/-
Ashwin N. Sheth
Director
DIN-00002053

Sd/-
Ankush V Bhoir
Company Secretary
Membership No. A30858

Place : Mumbai
Date : 15th May, 2020

Sheth Developers Private Limited
Note 3 - Property, plant and equipment

(Amounts in INR lacs
unless otherwise stated)

Gross carrying amount							
Particulars	Building	Plant and machinery	Office equipment	Computers System and Equipments	Furniture and fixture	Vehicle	Total
Balance as at March 31, 2018	-	895.86	24.21	32.49	63.55	245.51	1,261.63
Additions	-	-	8.18	12.40	-	97.61	118.19
Adjustment of Disposal/Assets written off	-	(887.05)	(5.06)	(13.52)	(10.10)	(94.98)	(1,010.71)
Balance as at March 31, 2019	-	8.81	27.33	31.38	53.45	248.14	369.11
Additions	-	-	-	2.77	-	28.83	31.60
Adjustment of Disposal/Assets written off	-	-	-	-	-	(4.73)	(4.73)
Balance as at January 31, 2020	-	8.81	27.33	34.15	53.45	272.24	395.98
Accumulated depreciation							
Particulars	Building	Plant and machinery	Office equipment	Computers System and Equipments	Furniture and fixture	Vehicle	Total
Balance as at April 01, 2016	-	-	-	-	-	-	-
Depreciation charge for the year	126.17	184.87	1.55	6.28	15.47	46.11	380.46
Disposals	-	-	-	-	-	(0.08)	(0.08)
Balance as at April 01, 2017	126.17	184.87	1.55	6.28	15.47	46.02	380.37
Depreciation charge for the year	77.61	145.32	6.95	5.76	11.51	50.26	297.41
Disposals	(203.78)	-	-	-	-	(0.60)	(204.38)
Balance as at March 31, 2018	-	330.19	8.50	12.05	26.98	95.68	473.40
Depreciation / amortisation expense for the year	-	114.67	6.87	7.87	8.31	56.43	194.15
Adjustment of Disposal/Assets written off	-	(440.23)	(0.00)	(0.08)	(2.03)	(52.69)	(495.05)
Balance as at March 31, 2019	-	4.63	15.37	19.84	33.26	99.42	172.51
Depreciation / amortisation expense for the year	-	0.77	4.20	6.26	4.73	44.87	60.83
Adjustment of Disposal/Assets written off	-	-	-	-	-	(3.04)	(3.04)
Balance as at January 31, 2020	-	5.40	19.57	26.11	38.00	141.23	230.30
Net carrying amount as at March 31, 2019	-	4.18	11.96	11.53	20.19	148.72	196.58
Net carrying amount as at January 31, 2020	-	3.41	7.76	8.03	15.44	131.01	165.68

Sheth Developers Private Limited

Note 4 - Investment Property

(Amounts in INR lacs unless otherwise stated)

Gross carrying amount	Investment Property
Particulars	
Balance as at March 31, 2018	101.47
Addition	
Adjustment of Disposal	(101.47)
Balance as at March 31, 2019	-
Addition	
Adjustment of Disposal	-
Balance as at January 31, 2020	-
Accumulated depreciation	
Particulars	Investment Property
Balance as at March 31, 2018	5.95
Depreciation / amortisation expense for the year	0.39
Adjustment of Disposal/Assets written off	(6.34)
Balance as at March 31, 2019	-
Depreciation / amortisation expense for the year	
Adjustment of Disposal/Assets written off	
Balance as at January 31, 2020	-
Net carrying amount as at March 31, 2019	-
Net carrying amount as at January 31, 2020	-

Note:

Amounts recognised in the standalone statement of profit and loss for investment properties

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Rental income		-
Direct operating expenses		-
Profit from investment properties before depreciation		-
Depreciation		-
Profit from investment properties	-	-

Fair Value of Investment Property

Balance as at March 31, 2018	95.52
Balance as at March 31, 2019	-
Net carrying amount as at January 31, 2020	-

Estimation of Fair Value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current market prices in an active market for similar properties. Where such information is not available, the group consider information from variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and capitalisation rate derived from analysis of market evidence

The fair values of investment properties have been determined by the Company. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in Level 3.

Sheth Developers Private Limited

Note 5 - Intangible assets

(Amounts in INR lacs unless otherwise stated)

Gross carrying amount	
Particulars	Computer Software
Balance as at March 31, 2018	0.16
Adjustment of Disposal	
Balance as at March 31, 2019	0.16
Adjustment of Disposal	
Balance as at January 31, 2020	0.16
Accumulated amortisation	
Particulars	Computer Software
Balance as at March 31, 2018	-
Amortisation charge for the period	-
Balance as at March 31, 2019	-
Amortisation charge for the period	-
Balance as at January 31, 2020	-
Net carrying amount as at March 31, 2019	0.16
Net carrying amount as at January 31, 2020	0.16

Note:

1. All Intangible assets held by the company are purchased and not internally generated.

Sheth Developers Private Limited

Note 6 - Investments

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Investment in Equity Shares		
Investments in subsidiaries		
Quoted		
1,79,970 (March 31, 2019:1,79,970) Equity Shares of Rs.10 each of Precious Trading & Investments Limited	24.55	24.55
Unquoted		
50,000 (March 31, 2019: 50,000) Equity Shares of Rs. 10/- each of Sheth Infrastructure Private Limited	5.00	5.00
Unquoted		
Investments in associates		
1 (March 31, 2019: 1) Equity Share of Rs.100 each of Sheth Shelters Pvt. Ltd.	0.00	0.00
26,077 (March 31, 2019:26,077) Equity Shares of AED. 1/- each of Sheth Estate (International) Limited	12,083.54	12,083.54
Total	12,113.09	12,113.09
Other Companies		
Quoted		
18,040 (March 31, 2019:18,040) Equity Shares of Rs.2 each of Bank of Baroda	16.71	23.24
1,935 (March 31, 2019: 1,935) Equity Shares of Rs.10 each of Housing Development India Limited	0.05	0.50
Others		
10 (March 31, 2019:10) Equity Shares of Rs.50 each fully paid up of Vasant Garden Co-Op Hsg.Society Ltd.	0.01	0.005
Investment in Government Securities		
National Savings Certificates	0.20	0.20
Investment in R.B.I. Bonds		
R.B.I. - Pradhan Mantri Garib Kalyan Yojna.Scheme-2016-17	100.00	100.00
Total	116.97	123.94
Aggregate amount of quoted investments and market value thereof	41.32	48.29
Aggregate amount of unquoted investments	12,188.74	12,188.74
Aggregate amount of impairment in the value of investments		
Note 7 - Non-current Loans		
Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Unsecured, considered good		
Deposits Paid	237.84	248.54
Total	237.84	248.54
Note 8 - Other non-current financial assets		
Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Unsecured, considered good		
Balance in Fixed deposits (Maturity more than one year)	702.59	149.42
Total	702.59	149.42
Note 9 - Other Non Current Assets		
Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Advance tax (net of provision of taxes)	1,505.01	1,467.48
Total	1,505.01	1,467.48

Note 10 - Inventories

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Construction Materials	1,320.62	1,924.41
Stock In Trade Of Finished Units	30,224.23	626.18
Stock In Trade Of Others		-
Construction WIP		
-- Land cost	2,829.07	1,233.81
-- Material costs	2,213.94	12,766.61
-- Labour costs	8,397.11	12,372.13
-- Other constructions costs	11,692.92	15,703.82
-- Finance costs	14,205.63	15,865.45
-- Administrative and other costs	4,589.80	6,212.11
Total	75,473.32	66,704.52

Note 11 - Trade receivables

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Trade Receivables	200.35	587.74
Less: Allowance for doubtful debts		-
Trade Receivables (net)	200.35	587.74
Total	200.35	587.74
Current portion	200.35	587.74
Non-current portion		
Total	200.35	587.74
Secured, considered good		-
Unsecured, considered good	200.35	587.74
Doubtful		
Total	200.35	587.74
Allowance for doubtful debts		
Total	200.35	587.74

Note 12 - Cash and cash equivalents

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Cash in hand	31.78	32.01
Current accounts	786.14	1,136.42
Fixed deposits (with maturity less than 3 months)	562.01	255.23
Total	1,379.93	1,423.66

Note 13 - Other Bank Balances

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Fixed deposits (with maturity less than 12 months)	2,233.07	3,405.29
Total	2,233.07	3,405.29

Note 14 - Current loans

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Loans and advances to related parties (refer note 38)	3,377.53	3,378.81
Loans and advances to other parties	261.02	25,366.73
Total	3,638.55	28,745.54

Note 15 - Other current assets

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Advances for supply of goods and services	843.76	896.85
Advance for purchase of land (refer note 38)	56,240.38	41,005.96
Prepaid expense	-	5.95
Other receivables	1,764.79	1,618.39
Other Receivables from related parties (refer note 38)	69.24	112.06
Advance tax (net of provision of taxes)	329.36	197.13
Total	59,247.53	43,836.34

Sheth Developers Private Limited

Note 16 - Equity share capital

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Authorised equity share capital		
10,00,000 (March 31, 2018: 10,00,000) Equity Shares of Rs. 100/- each	1,000.00	1,000.00
31,00,000 (March 31, 2018: 31,00,000) 6% Redeemable Non Cumulative Non Participating Preference Shares of Rs 10/- each	310.00	310.00
	1,310.00	1,310.00
Issued, subscribed and paid up		
10,00,000 (March 31, 2018: 10,00,000) Equity Shares of Rs. 100/- each	1,000.00	1,000.00
Total	1,000.00	1,000.00

Movements in equity share capital

Authorised share capital

Particulars	No. of shares	Amount
As at March 31, 2018	1,000,000	1,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2019	1,000,000	1,000.00
Increase/(decrease) during the year	-	-
Balance as at January 31, 2020	1,000,000	1,000.00

Issued, subscribed and paid up

Particulars	No. of shares	Amount
As at March 31, 2018	1,000,000	1,000.00
Changes in equity share capital	-	-
As at March 31, 2019	1,000,000	100,000,000.00
Changes in equity share capital	-	-
Balance as at January 31, 2020	1,000,000	100,000,000

Terms and rights attached to equity shares

Equity Shares

The company has only one class of equity shares having a par value of Rs 100 per share. Each holder of equity shares is entitled to one vote per share.

Preference Shares

The preference shares shall be redeemed at premium of Rs 190/- per share at any time at the option of the Company, but in no event earlier than 4 years from the date of allotment or such other period as may be required by law and not later than 20 years from the date of issue.

The preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Rs 0.60 per preference share per year.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held.

Details of shareholders holding more than 5% of shares

Particulars	As at January 31, 2020 (Unaudited)		As at March 31, 2019(Audited)
	Number of shares	% of Holding	Number of shares
Mr. Ashwin N. Sheth	737,550	73.76%	737,550
Laxmiprabha Impex & Investments Private Limited	150,865	15.09%	150,865
Mr. Chintan A. Sheth jointly with Mr. Ashwin N. Sheth	54,000	5.40%	54,000
Mr. Maulik A. Sheth jointly with Mr. Ashwin N. Sheth	54,000	5.40%	54,000
Mr. Jitendra N. Sheth	-	-	-
Mr. Vallabh N. Sheth	-	-	-
Mrs. Renuka A. Sheth	-	-	-
Mrs. Harsha J. Sheth	-	-	-
Mr. Devraj V. Sheth jointly with Mr. Vallabh N. Sheth	-	-	-
Mrs. Deepa V. Sheth jointly with Mr. Vallabh N. Sheth	-	-	-

Note 17 - Other equity

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Securities premium account	5,656.68	5,656.68
Capital Reserve	100.00	100.00
General Reserve	5,465.00	5,465.00
Retained Earnings	5,209.92	3,586.81
Total	16,431.60	14,808.49

Securities premium account

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Opening balance	5,656.68	5,656.68
Closing balance	5,656.68	5,656.68

Capital Reserve

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Opening balance	100.00	100.00
Closing balance	100.00	100.00

General Reserve

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Opening balance	5,465.00	5,465.00
Add: Transferred from Debenture Redemption Reserve	-	-
Closing balance	5,465.00	5,465.00

Debenture Redemption Reserve

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Opening balance	-	-
Less: Transferred to General Reserve	0	-
Closing balance	-	-

Retained earnings

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Opening balance	3,586.81	3,195.36
Net profit for the period	1,623.12	387.42
Less: Transferred to debenture redemption reserve		-
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	-	4.03
Closing balance	5,209.92	3,586.81

Securities premium account

The securities premium account is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

Capital reserve is created out of profits or gains of a capital nature. The capital reserve is available for utilisation against capital purpose and are not available for distribution of dividend.

General Reserve

General reserve are the retained earnings of the Group which are kept aside out of Group's profit to meet future (known or unknown) obligation.

Debenture Redemption Reserve

The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of redeemable non convertible and optionally convertible debentures.

Sheth Developers Private Limited

Note 18 - Long term Borrowings

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Debentures (Secured)		
142 (March 31, 2019:123)Secured Redeemable Non Convertible Debentures of Face Value 1,00,00,000/- each	5,665.80	12,656.60
Nil (March 31, 2019:100) Secured Redeemable Non Convertible Debentures Of Face Value Rs.10,00,000/- Each	-	530.93
Term loan from banks (Secured)		
From Financial Institutions		
– Construction Loan	11,653.47	6,152.48
– Vehicle Loan	87.87	105.84
From Banks		
– Construction Loan	8,457.78	20,312.00
– Bank Overdraft	4,707.66	6,522.18
Total	30,572.58	46,280.03

Terms of Loans

SECURED LOANS:

a) ICICI PRUDENTIAL REAL ESTATE AIF

Security against :

1. First and exclusive charge by way of registered mortgage on 10 Units of **Projects Fiona F - Wing flats**
2. Hypothecation of the entire receivables from developer's area.
3. Personal Guarantee of Promoter.

b) INDOSTAR CAPITAL FINANCE LIMITED

Security against :

1. First and exclusive charge on **Sheth Zuri Project** i.e. Registered Mortgage of Land/Development Right, Mortgage of unsold area, Charge of and Escrow of all the project receivables including from sold and unsold units.
2. Personal Guarantee from Mr. Ashwin Sheth.

c) J. M. FINANCIAL CREDIT SOLUTIONS LIMITED

Security against :

1. First and exclusive charge vide registered mortgage over the land and buildings forming part of Project Sheth Blue IVY Located at Goregaon, Mumbai ("Sheth Blue IVY").
2. First and exclusive mortgage over **Project Clarion** . Along with all sold receivables located at Kandivall (East), Mumbai ("Clarion").
3. Escrow and Hypothecation of receivables generated from the sales of sold / unsold units in the Project Sheth Blue IVY and Project Clarion.
4. Personal Guarantee of Mr. Ashwin Sheth.

d) INDUSIND BANK:

Security against :

Secured Against:First exclusive charge by way of registered mortgage on all the rights, Interest and title for the project 1, project2, project 3, and project 4 as defined below.

1. Project 1 : Midori residential project located at Dahisar, Mumbai .
2. Project 2: Avalon residential project located at Thane .
3. Project 3: Glades & Ferns residential project (Part of Vasant Lawns) located at Thane.
4. Project 4: Sigma Estate Industrial galas located at Prabhadevi, Mumbai.
5. First exclusive charge by way of hypothecation on all buildings & structures & Project sold & unsold receivables for the Project 1, Project 2, Project 3, and Project 4 as defined above.
6. Personal Guarantee of Mr. Ashwin Sheth.
7. CG of Sheth Corp Pvt. Ltd. (SCPL) and Sheth Infracore Pvt. Ltd. (SIPL).

e) TATA CAPITAL HOUSING FINANCE LIMITED

Security against :

- 1.Exclusive charge by way of registered mortgage on the entire land parcel at survey no.35/4 (part),35/8(part),and 35/9 (part) ,Panchpakhadl,Thane along with present and future construction of 'Proposed Project'.
- 2.Exclusive charge by way of hypothecation on all receivables including sold,unsold,insurance receipts as well as development and other charges from units and any cash flow from the "proposed project" located Thane.
3. Personal Guarantee of Mr. Ashwin Sheth & Mr.Maulik Sheth.

f) BAJAJ HOUSING FINANCE LIMITED

Secured Against:First exclusive charge by way of registered mortgage on all the rights, interest and title for the project 1, project2, project 3, and project 4 as defined below.

1. Project 1 : Midori residential project located at Dahisar, Mumbai .
2. Project 2: Avalon residential project located at Thane .
3. Project 3: Glades & Ferns residential project (Part of Vasant Lawns) located at Thane.
4. Project 4: Sigma Estate Industrial galas located at Prabhadevi, Mumbai.
5. First pari passu charge along with IBL Indusind Bank Limited (IBL) by way of deed of novation and title for the Project 1, Project 2, Project 3, and Project 4 as defined above.
6. First pari passu charge along with IBL by way of hypothecation on all buildings,structures & projects sold & unsold Receivable for the Project 1, Project 2, Project 3, and Project 4 as defined above.
7. Personal Guarantee of Mr. Ashwin Sheth.
8. CG of Sheth Corp Pvt. Ltd. (SCPL) and Sheth Infracore Pvt. Ltd. (SIPL).

Maturity Profile

Name	2020-21	2021-22	2022-23 and onwards
NCD issue to ICICI PRUDENTIAL REAL ESTATE AIF [#]	-	-	-
NCD issue to INDOSTAR CAPITAL FINANCE LIMITED [#]	6,455.85	5,916.67	284.09
J. M. FINANCIAL CREDIT SOLUTIONS LIMITED [#]	1,433.05	1,050.00	326.63
INDUSIND BANK [#]	4,262.30	4,833.33	4,069.81
TATA CAPITAL HOUSING FINANCE LIMITED [#]	1,028.20	2,496.22	41.61
BAJAJ HOUSING FINANCE LIMITED	2,348.96	3,470.97	3,428.30

[#] To the extent of Balance Outstanding

Note 19 - Non-current financial liabilities

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Security deposits received	-	1.50
Total	-	1.50

Note 20 - Non current provisions

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Provision for tax		-
- Income Tax		-
- Wealth Tax		-
Provision for Gratuity (refer note 32)	146.37	128.01
	146.37	128.01

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Note 21 - Short term borrowings

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Unsecured loans		
Loans from bodies corporate (repayable on demand)	6,722.58	5,276.86
Loans from related party (repayable on demand)	17,855.60	21,307.77
Bank Overdraft	1,246.67	1,527.85
Loans from subsidiary party	29.54	126.50
29,77,200 (March 2019 :29,77,200) 6% Redeemable Non	297.72	297.72
Cummulative Non Participating Preference Shares of Rs 10/- each		
Total	26,152.11	28,536.70

Note 22 - Trade payables

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Total outstanding dues of micro enterprises and small enterprises	537.14	502.12
Trade payables to related parties (refer note 38)	2,071.33	1.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,789.32	5,228.92
<u>Payable for purchase land</u>	605.71	605.71
Total	8,003.50	6,338.20

Disclosures required under micro, small and medium enterprises act, 2006

Particulars	As at January 31,2020 (Unaudited)		As at March 31, 2019(Audited)
	Principal	Interest	Principal
The principal amount and the interest due to the suppliers registered under the MSMED Act and remaining unpaid as at the year end	537.14	-	502.12
The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	
The principal amount and the interest paid to suppliers registered under the MSMED Act beyond the appointed day during the year	-	-	
Interest due and payable towards suppliers registered under MSMED Act for payments already made	-	-	
Further interest remaining due and payable for earlier years	-	-	

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

Note 23 - Other financial liabilities

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Current maturities of long term debt	14,542.60	759.76
Interest accrued and due	485.58	488.28
Interest accrued but not due	-	-
Employee Benefits Payable	128.12	152.21
Total	15,156.30	1,400.25

Note 24 - Current provisions

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Provision for Gratuity (refer note 32)	21.83	18.36
Provision for Expense	1,098.82	66.13
Total	1,120.64	84.49

Note 25 - Other current liabilities

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Advance Received For Land Sale (refer note 38)	55.00	1,909.37
Statutory dues payable	179.35	204.54
Advance from customers	62,650.98	62,765.06
Total	62,885.33	64,878.97

Sheth Developers Private Limited

(Amounts in INR lacs
unless otherwise stated)

Note 26 - Revenue from operations

Particulars	Revenue from sale of products	
	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Revenue from Construction Projects	16,411.00	673.08
	16,411.00	673.08
Other Operating Income		
Sale Of TDR	892.13	735.00
Sales Of Traded Stock	29.09	12.39
Rent Income	-	20.38
CAM Income	-	1,424.35
	921.22	2,192.12
Total	17,332.22	2,865.20

Note 27 - Other Income

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Dividend Income	-	-
Interest Income	-	-
--fixed deposits	201.01	202.72
-- income tax refund	-	81.87
-- loan given to related parties	141.14	188.33
-- loan given to other parties	85.66	1,641.60
-- loan given to staff	-	-
-- from customers	1.83	8.96
Profit On Sale Of Fixed Asset - Land	-	189.05
Profit On Sale Of Fixed Asset - Building	-	649.25
Profit On Sale Of Fixed Asset - Vehicles & Others	2.56	1.34
Profit On Sales Of Investments	-	-
Net fair value gain on Investment mandatorily measured at fair value through profit and loss	-	-
Sundry Balances Written Back	174.45	577.58
Reimbursement Of Expenses - Income	-	10.55
Miscellaneous Income	303.53	372.26
Transfer Charges Received	-	33.47
Total	910.17	3,956.98

Note 28 (a) - Cost of materials consumed

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Opening Work in Progress	64,153.93	35,170.15
Add: Construction Expenses		
-- Cost of Land	1,595.26	211.41
-- Cost of Materials	5,225.90	7,522.00
-- Labour Cost	6,618.67	8,102.07
-- Fees, Taxes & Other Construction Expenses	2,195.62	6,687.22
-- Finance Cost	5,323.07	5,740.81
-- Administrative and other expenses	1,618.48	2,206.24
Add : Cost Of Sales Of Traded Goods	29.00	12.39
Less : Transfer to fixed assets	-	-
Less : Closing Work in Progress	(43,928.47)	(64,153.93)
Cost of Generation of TDR -- (i)	404.91	654.21
Cost of materials consumed -- (ii)	42,426.55	844.15
Total	42,831.46	1,498.36

(b) Change in inventory of finished goods and work-in-progress

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Opening stock		
Unsold units	626.18	741.77
Less: closing stock		
Unsold units	(30,224.23)	(626.18)
Total	(29,598.05)	115.59

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Note 33 - Taxation

(a). Income tax expense

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Current tax		
Current tax on Profit for the year	-	180.12
Adjustment to current tax of prior periods	(102.25)	(102.99)
Total current tax expenses	(102.25)	77.13
Deferred tax		
Decrease /(Increase) in deferred tax assets	-	505.84
(Decrease) /Increase in deferred tax liabilities	-	116.14
Total deferred tax expenses/(benefit)	-	389.71
Income tax expense	(102.25)	466.83
Income tax expense attributable to :		
Profit from operations	(102.25)	465.17
Total	(102.25)	465.17

(b). Reconciliation of tax expense and accounting profit multiplies by India tax rate

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Profit from operations before income tax expense	1,520.86	852.59
India tax rate	25.17%	29.12%
Tax at India tax rate	382.77	248.27
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Others	(485.02)	218.56
Income tax expense	(102.25)	466.84

Note 29 - Employee benefit expenses

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Salaries, wages and bonus	583.57	517.97
Gratuity (refer note 32)	25.81	30.98
Total	609.38	548.95

Note 30 - Finance costs

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Interest on Borrowings from Banks and Financial Institutions	89.82	50.14
Interest on Borrowings from Others	894.86	583.04
Other borrowing costs	7.60	1.05
Total	992.28	634.23

Note 31 - Other expenses

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
Advertisement & Brokerage	16.22	157.71
Printing and Stationery	9.07	11.05
Staff Recruitment Expenses	0.25	12.76
Conveyance & Vehicle up keep	23.85	25.19
Professional Charges	348.72	474.45
Repairs & Maintenance	8.47	12.20
Insurance Expenses	2.00	9.57
Travelling Expenses	18.46	41.07
Rent, Rates & Taxes	248.01	237.04
Audit Fees	3.54	4.25
Loss On Sale Of Fixed Asset/Discarded of Assets	-	476.03
Sundry Expenses	1,139.38	410.72
Fair valuation loss on instruments mandatorily measured at fair value	6.97	2.66
Compensation to Customer	-	-
C.A.M. Expenses	0.69	1,103.22
Total	1,825.64	2,977.92

Details of payments to auditors

Payment to auditors	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
As auditor:		
Audit Fee	3.54	4.25
Others	-	-
Total	3.54	4.25

(c). Deferred tax asset (net)

The balance comprises temporary differences attributable to :

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019 (Audited)
Deferred tax asset:		
Unabsorb Depreciation	402.93	402.93
43B Disallowance		
Carried forward long term Capital losses	2,928.35	2,928.35
House Property	81.24	81.24
MAT Credit Entitlement	730.42	730.42
	4,142.94	4,142.94
Other items:		
Difference in tax base and book base of financial instruments measured at amortised cost	51.14	51.14
Others	51.14	51.14
Total deferred tax assets	4,194.08	4,194.08

Deferred tax liability:		
Property plant and equipment and intangible assets	(262.56)	(262.56)
Financial assets at fair value through profit & loss	2.30	2.30
Others		
Total deferred tax liabilities	260.26	260.26
Net deferred tax assets	4,454.35	4,454.35

Movement in deferred tax assets

Particulars	Unabsorb Depreciation	43B Disallowance	Carried forward long term Capital losses	Difference in tax base and book base of financial instruments measured at amortised cost	MAT Credit Entitlement	Carried forward Business Loss	Other items	Total deferred tax assets
As at March 31, 2018					358.00	3,706.34	157.07	4,699.93
(Charged)/credited : to Profit and loss to other comprehensive income Deferred tax on basis adjustment					372.42	(777.99)	(19.67)	(505.82)
As at March 31, 2019					730.42	2,928.35	132.39	4,194.08
(Charged)/credited : to Profit and loss to other comprehensive income Deferred tax on basis adjustment								
Balance as at January 31, 2020					730.42	2,928.35	132.39	4,194.06

Movement in deferred tax liabilities

Particulars	Property plant and equipment and intangible assets	Financial assets at fair value through profit & loss	Others	Total deferred tax liabilities
As at March 31, 2018				(144.12)
(Charged)/credited : to Profit and loss to other comprehensive income Deferred tax on basis adjustment				
	114.74	1.39		116.13
As at March 31, 2019				(260.25)
(Charged)/credited : to Profit and loss to other comprehensive income Deferred tax on basis adjustment				
Balance as at January 31, 2020				(260.25)

Sheth Developers Private Limited

Note 32 - Employee benefit obligations

a) Post employment obligations

Gratuity - Defined benefit plan

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Particulars	<i>(Amounts in INR lacs unless otherwise stated)</i>	
	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Gratuity	146.37	128.01
Total	146.37	128.01

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Gratuity	21.83	18.36
Payable to employees	128.12	152.21
Total	149.95	170.57

Amounts recognised in the statement of profit and loss

Particulars	As at January 31, 2020 (Unaudited)	Year ended March 31, 2019(Audited)
Amounts recognised in the statement of profit and loss		
Defined benefit plans		
Gratuity	25.81	30.98
Total	25.81	30.98

Amounts recognised in the statement of other comprehensive income

Particulars	As at January 31, 2020 (Unaudited)	Year ended March 31, 2019(Audited)
Remeasurements for:		
Gratuity	-	5.69
Total	-	5.69

Amounts recognised as a liability - Gratuity

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Present value of obligations	168.20	146.37
Fair value of plan assets		
Deficit of plans	168.20	146.37
Present value of obligations	168.20	146.37
Total deficit of defined benefit obligations	168.20	146.37
Impact of minimum funding requirement/asset ceiling		
Liability in the balance sheet	168.20	146.37

Gratuity plan

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligations	Fair value of plan assets	Net Amount
As at March 31, 2018	141.93	-	141.93
Current service cost	21.28		21.28
Past service cost	-		-
Interest expense/(Income)	9.70		9.70
Total amount recognised in profit/loss	30.98	-	30.98
Remeasurements			-
Return on plan assets, excluding amounts included in interest expense/(income)			-
(Gain)/loss from change in demographic assumptions	0.26		0.26
(Gain)/loss from change in financial assumptions	3.57		3.57
Experience (gains)/losses	(9.52)		(9.52)
Change in asset ceiling, excluding amounts included in interest expense			-
Total amount recognised in other comprehensive income	(5.69)	-	(5.69)
Exchange differences			-
Contributions:			-
Employers			-
Plan participants			-
Benefit payments	(20.85)		(20.85)
As at March 31, 2019	146.36	-	146.36
Current service cost	-		-
Past service cost	-		-
Interest expense/(Income)	-		-
Total amount recognised in profit/loss	-	-	-
Remeasurements			-
Return on plan assets, excluding amounts included in interest expense/(income)			-
(Gain)/loss from change in demographic assumptions	-		-
(Gain)/loss from change in financial assumptions	-		-
Experience (gains)/losses	-		-
Change in asset ceiling, excluding amounts included in interest expense			-
Total amount recognised in other comprehensive income	-	-	-
Exchange differences			-
Contributions:			-
Employers			-
Plan participants			-
Benefit payments	-		-
Year ended January 31, 2020(Unaudited)	146.36	-	146.36

Significant actuarial assumptions were as follows :

(Amounts in INR lacs
unless otherwise
stated)

Particulars	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019(Audited)
	Discount rate	7.55%
Salary growth rate	10.00%	10.00%
Mortality rate	Indian assured lives mortality (2006-08)	

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation (INR in lacs)					
	Change in assumption (in %)		Increase in assumption		Decrease in assumption	
	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019	Year ended January 31, 2020(Unaudited)	Year ended March 31, 2019
Discount rate	0.50%	0.50%	4.42	4.42	(4.68)	(4.68)
Salary growth rate	0.50%	0.50%	(4.45)	(4.45)	4.28	4.28

The expected maturity analysis of undiscounted post-employment defined benefit obligations is as follows:

Particulars	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Year ended January 31, 2020(Unaudited)					
Gratuity		31.87	60.99	155.12	247.98
Total	-	31.87	60.99	155.12	247.98
As at March 31, 2019					
Gratuity		31.87	60.99	155.12	247.98
Total	-	31.87	60.99	155.12	247.98
As at March 31, 2018					
Gratuity		44.69	55.80	131.91	232.40
Total	-	44.69	55.80	131.91	232.40

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; If plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Sheth Developers Private Limited

Note 38 - Related party disclosures

Sr. No.	Name of the Related Party	Relationship
1	Precious Trading and Investments Limited	(A) Subsidiary Companies
2	Sheth Infrastructure Private Limited	
3	Sheth Estate (International) Limited	
4	Sheth Developers & Realtors (India) Limited	
5	Sheth Realcon Ventures Private Limited	
6	Sheth Building Materials Private Limited	
7	Laxmi Prabha Impex and Investments Private Limited	
8	Sheth Shelters Private Limited	
9	Sheth Corp Private Limited	
10	Sheth Infracore Private Limited	
11	Sheth Lifestyles Private Limited	(B) Enterprises over which Directors / Key Managerial Personnel are able to exercise significant influence
12	Sheth Dreamhomes Private Limited	
13	Sheth Infracity Private Limited	
14	Sheth Universal Private Limited	
15	Sheth Realty (India) Private Limited	
16	Sheth Aviation Private Limited	
17	Sheth Development Private Limited	
18	Sheth Holdings (India) Private Limited	
19	Sheth Homes Private Limited	
20	Sheth Infra Estate Private Limited	
21	Sheth Smarthomes Private Limited	
22	Alpha Business Consultants Private Limited	
23	Viviana Malls Private Limited	
24	Lohitka Properties LLP	
25	Sanjeevani Vyapaar LLP	
26	Sheth Abode LLP	
27	Flora A. Sheth	(C) Directors / Key Management Personnel / Relative of Director
28	Ashwin N. Sheth (Managing Director)	
29	Chintan A. Sheth (Director)	
30	Maulik A. Sheth (Director)	

b). Transactions with Related parties

0

Sr. No.	Particulars	Subsidiary Companies	Enterprises over which Directors / Key Managerial Personnel are able to exercise significant influence	Directors / Key Managerial Personnel / Relative of Director
			(B)	(C)
		(A)	(B)	(C)
1	Expenses incurred on behalf of the Company by Related Parties	-	5.24 (6.53)	-
2	Interest Expenses	-	37.85 (7.84)	306.02 (266.58)
3	Purchase of Material	-	2,093.85 (7.04)	-
4	Interest Income	-	141.14 (188.33)	-
5	Sale of Material	-	0.74 (6.52)	-
6	Expenses incurred by the Company on behalf of Related Parties	-	129.14 (133.19)	-
7	Remuneration to Director	-	-	200.00 (174.51)
8	Outstanding balances as at 31.12.2019			
	(A) Loans & Advances (Given)	5.31 (4.98)	3,441.46 (21,142.09)	-
	(B) Loans & Advances(Taken)	29.54 (126.50)	2,631.46 (2,305.83)	17,295.47 (20,857.76)

(Figures in brackets represent previous year figures.)

1) Expenses incurred on behalf of the Company by related parties

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Corp Private Limited	-	5.24	-
	Total	-	5.24	-

2) Interest Expenses

Sr. No.	Name	(A)	(B)	(C)
1	Laxmi Prabha Impex & Investment Pvt Ltd	-	6.97	-
2	Sheth Corp Private Limited	-	1.91	-
3	Sheth Infracworld Private Limited	-	28.96	-
4	Ashwin N. Sheth	-	-	306.02
	Total	-	37.85	306.02

3) Purchase of Material/Consultancy services

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Corp Private Limited	-	2,091.04	-
2	Sheth Infracworld Private Limited	-	2.81	-
	Total	-	2,093.85	-

4) Interest Income

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Estate (International) Limited	-	141.14	-
2	Sheth Developers & Realtors (India) Limited	-	-	-
3	Sheth Infracworld Private Limited	-	-	-
	Total	-	141.14	-

5) Sale of Material

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Infracworld Private Limited	-	0.74	-
	Total	-	0.74	-

6) Expenses incurred by the Company on behalf of related parties

Sr. No.	Name	(A)	(B)	(C)
1	Lohitka Properties LLP	-	77.48	-
2	Sheth Infracworld Private Limited	-	25.83	-
3	Sanjeevani Vyapaar LLP	-	25.83	-
4		-	-	-
	Total	-	129.14	-

6) Remuneration to Director /Relative of Director

Sr. No.	Name	(A)	(B)	(C)
1	Ashwin N. Sheth (Managing Director)	-	-	100.00
2	Chintan A. Sheth (Director)	-	-	50.00
3	Maulik A. Sheth (Director)	-	-	50.00
4	Flora A. Sheth	-	-	-
	Total	-	-	200.00

7 A) Outstanding balance of unsecured loan given and other advances

Sr. No.	Name	(A)	(B)	(C)
1	Sheth Infrastructure Private Limited	5.31	-	-
2	Sheth Estate (International) Limited	-	3,078.66	-
3	Sheth Infracworld Private Limited	-	-	-
4	Sheth Shelters Private Limited	-	290.25	-
5	Sheth Corp Private Limited	-	-	-
6	Sheth Developers & Realtors (India) Limited	-	3.31	-
9	Lohitka Properties LLP (Trade Receivable)	-	-	-
10	Sanjeevani Vyapaar LLP (Trade Receivable)	-	69.24	-
11	Sheth Dreamhomes Pvt Ltd	-	-	-
	Total	5.31	3,441.46	-

7 B) Outstanding balance of unsecured loan taken and other advances (including interest accrued)

Sr. No.	Name	(A)	(B)	(C)
1	Laxmi Prabha Impex and Investments Private Limited	-	82.73	-
2	Sheth Building Material Private Limited	-	83.04	-
3	SHETH INFRAWORLD PVT. LTD	-	-	-
4	Sheth Corp Private Limited	-	46.48	-
5	Lohitka Properties LLP	-	6.87	-
6	Precious Trading and Investments Limited	29.54	-	-
7	Sheth Realcon Ventures Private Limited	-	227.68	-
8	Vasantben N. Sheth	-	-	-
9	Ashwin N. Sheth	-	-	17,295.47
10	Sheth Corp Private Limited (Trade Payable)	-	2,064.46	-
11	Sheth Infracworld Private Limited (Trade Payable & Advance received)	-	120.21	-
	Total	29.54	2,631.46	17,295.47

Sheth Developers Private Limited

Note 34 - Fair value measurement

Financial Instruments by category

Particulars	As at January 31, 2020 (Unaudited)			As at March 31, 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments	16.76			23.74		100.21
Loans and advances			3,876.39			28,994.08
Balance in Fixed deposits			702.59			149.42
Trade Receivables			200.35			587.74
Cash and cash equivalents			1,379.93			1,423.66
Other bank balances			2,233.07			3,405.29
Total financial assets	16.76	-	8,392.33	23.74	-	34,660.40
Financial Liabilities						
Borrowings			71,267.29			75,576.48
Trade payables			8,003.50			6,338.20
Security deposits			-			1.50
Accrued interest			485.58			488.28
Total financial liabilities	-	-	79,756.36	-	-	82,404.46

Fair value hierarchy

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. The fair values of financial assets measured at amortised cost are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Financial assets and liabilities measured at fair value

As at January 31, 2020 (Unaudited)	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments	16.76	-	-	16.76
Derivative financial assets				-
Total	16.76	-	-	16.76
As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments	23.74	-	-	23.74
Derivative financial assets				-
Total	23.74	-	-	23.74

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize 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 level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rates applicable are equal to the current market rate of interest.

Sheth Developers Private Limited

Note 36 - Capital Management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by

Total „equity“ (as shown in the balance sheet). The gearing ratios were as follows:

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019(Audited)
Gross Debt	71,267.29	75,576.48
Less: Cash and cash equivalents	(1,379.93)	(1,423.66)
Net debt	69,887.36	74,152.82
Total Equity	17,431.60	15,808.49
Net debt to equity ratio	4.01	4.69

Note 37 - Segment information

The board of directors (BOD) is the Company's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the BOD for the purposes of allocating resources and assessing performance.

Presently, the Company is engaged in only one segment viz 'Real estate and allied activities' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. The Company has operations only within India. Entity wide disclosure for the same is given below.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the standalone financial statements as of and for the year ended March 31, 2019.

Non-current assets excluding financial assets and deferred tax assets amounting to Rs.1670.84 (March 31, 2019: 1664.23) are located entirely in India.

Sheth Developers Private Limited

Nota 35 - Financial Risk Management

The Company's activities expose it to a variety of financial risks namely credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

A. Credit Risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Trade receivables

Credit risk related to receivables resulting from sale of inventories is managed by requiring customers to pay the dues before transfer of possession, therefore, substantially eliminating the Company's credit risk in this respect.

B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans.

a. Financing arrangements

The Company had access to bank overdraft facilities. These facilities may be drawn at any time and may be terminated by the bank without notice.

b. Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Repayable on demand	Less than 1 year	More than 1 year	Total
As at January 31, 2020 (Unaudited)				
Bank Overdraft	1,246.67	-	-	1,246.67
Borrowings	-	24,905.44	30,572.58	55,478.01
Trade payables	-	8,003.50	-	8,003.50
Other financial liabilities	-	15,156.30	-	15,156.30
As at March 31, 2019				
Bank Overdraft	1,527.85	-	-	1,527.85
Borrowings	-	27,008.85	46,280.03	73,288.88
Trade payables	-	6,338.20	-	6,338.20
Other financial liabilities	-	1,400.25	1.50	1,401.75

C. Market risk

Foreign currency risk

1. Foreign currency exposure

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not materially exposed to any foreign exchange risk during the reporting periods.

2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market rate is limited to borrowings (excluding vehicle loans and non-convertible debentures) which bear floating interest rate.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period is as follows:

(a) Interest rate exposure

Particulars	As at January 31, 2020 (Unaudited)	As at March 31, 2019
Variable rate borrowings	35,392.38	36,226.98
Fixed rate borrowings (including interest on debentures)	12,502.84	14,419.17
Total	47,895.22	50,646.15

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Company's profit before tax will be impacted by a change in interest rate as follows:

Particulars	Increase/(decrease) in profit before tax	
	As at January 31, 2020 (Unaudited)	Year ended March 31, 2019
Increase in interest rate by 20 basis points (20 bps)	70.78	72.45
Decrease in interest rate by 20 basis points (20 bps)	(70.78)	(72.45)

Sheth Developers Private Limited

Note 39 - Contingent liabilities and contingent assets

(Amounts in INR lacs unless otherwise stated)

The Company are involved in few legal proceedings. After considering the circumstances and based on legal consultation view, management believes that these proceedings will not affect its financial statements.

Note 40 - Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Property, Plant and Equipment	-	-
Investment Property	-	-
Intangibles	-	-
Total	-	-

(b) Non cancellable operating leases

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Commitments for minimum lease payments in relation to non		
Within 1 year		
Later than 1 year but not later than 5 years		
Later than 5 year		
Total	-	-

Rental expense relating to operating leases

Particulars	As at January 31,2020 (Unaudited)	As at March 31, 2019(Audited)
Minimum lease payments		
Total rental expense relating to operating leases		-

Sheth Developers Private Limited

Note 41 - Earnings per share

Particulars	(Amounts in INR lacs unless otherwise stated)	
	As at January 31, 2020 (Unaudited)	Year ended March 31, 2019 (Audited)
Profit for the year	1,623.12	387.42
Weighted average number of Equity shares	1,000,000	1,000,000
Share of profit attributable to Equity shares	1,623.12	387.42
Nominal value per equity share (INR)	100	100
Earnings per Equity shares (basic and diluted) (INR)	162.31	38.74

Note 42 - Disclosure under Ind AS 115 - Revenue from Contracts with customers

1) The Ministry of Corporate Affairs vide notification dated 28th March 2018 has made Ind AS 115 "Revenue from Contracts with Customers" (Ind AS 115) w.e.f. 1st April, 2018. The Company has applied the modified retrospective approach as per para C3(b) of Ind AS 115 to contracts that were not completed as on 1st April 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. 1st April, 2018 in accordance with para C7 of Ind AS 115 as an adjustment to the opening balance of Other Equity, only to contracts that were not completed as at 1st April, 2018. The transitional adjustment of Rs.4,471.14 Lakh has not been adjusted against opening Other Equity based on the requirements of the Ind AS 115 pertaining to recognition of revenue based on satisfaction of performance obligation (at a point in time).

2) For sales of property under development that were recognised as per the previous year accounting policy, the Company has determined that they generally do not meet the criteria for recognising revenue over time under Ind AS 115 owing to non-enforceable right to payment from Customer for performance completed to date and, therefore recognises revenue at a point in time.

3) Refer note 1.D - "Revenue recognition" under Significant accounting policies .

4) There has been no material impact on the Cash flows Statement as the Company continues to collect from its Customers based on payment plans. Additionally there is no material impact on Other Comprehensive Income on account of Ind AS 115 transition.

A. Disaggregation of revenue from Contract with Customers

Set out below is the disaggregation of the Company's revenue from contracts with customers.

Particulars	As at January 31, 2020 (Unaudited)	Year ended March 31, 2019 (Audited)
Revenue from Operations		
(i) Revenue from Contract with customers		
Revenue from Construction Projects	16,411.00	673.08
(ii) Revenue from other		
Other Operating Income	921.22	2,192.12
Total Revenue cover under Ind AS 115	17,332.23	2,865.20

B. Contract balances

The following table provides information about receivable and contract liabilities from contract with customers:

Particulars	As at January 31, 2020	Year ended
Contract liabilities		
Advance from Customers and other receipt	62,650.98	62,765.06
Total contract liabilities	62,650.98	62,765.06
Receivables		
Trade Receivables	200.35	587.74
Total receivables	200.35	587.74

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Note 43 - Previous years figures have been regrouped/reclassified wherever necessary to confirm this year's classification

In terms of our report of even date.

For and on behalf of the Board of Directors

Sd/-
Ashwin N. Sheth
Director
DIN-00002053

Sd/-
Ankush V Bhoir
Company Secretary
Membership No. A30858

Place : Mumbai
Date : 15th May ,2020



Date : July 13, 2020

The Board of Directors
Precious Trading And Investments Limited
 Ground and 3rd floor, Prius Infinity,
 Paranjape B Scheme, Subhash Road,
 Vile Parle(East), Mumbai - 400057

Dear Sirs,

Sub: Scheme of Arrangement under Section 230 read with Section 232 of the Companies Act, 2013 and read with other applicable provisions and rules thereunder involving Precious Trading And Investments Limited ("PTIL" or the "Transferor Company") and their respective shareholders and creditors and Sheth Developers Private Limited ("SDPL" or the "Transferee Company") ["the Scheme"]

This is with reference to our engagement letter dated March 05, 2020 entered with SDPL for inter-alia certifying the accuracy and adequacy of disclosures pertaining to SDPL in the abridged prospectus prepared by the Company and SDPL, to be sent to the shareholders of the Company pursuant to the Scheme.

The Scheme provides for the merger of the Transferor Company with and into the Transferee Company pursuant to Section 230 read with Section 232 and other relevant provisions of the Companies Act, 2013 and read with the Rules therein, by:

- a. issuance of redeemable preference shares of the Transferee Company to the equity shareholders of the Transferor Company except to the Transferee Company as per the terms set out under the Scheme;
- b. dissolution without winding up of the Transferor Company;
- c. alteration of the memorandum of association of the Transferee Company in the manner provided in the Scheme;
- d. the consequent treatment of the Undertakings of the Transferor Company and the Transferee Company, in the manner provided for in the Scheme;

Upon the Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled and shall be deemed to be cancelled without any further act, deed or application.

Based on the information, undertakings, certificates, confirmations and documents provided to us by the Company and SDPL, we hereby confirm that the information contained in the Abridged Prospectus is accurate and adequate, in terms of paragraph 3(a) of Annexure I of the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (SEBI Circular) read with the format provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations).

ARIHANT CAPITAL MARKETS LTD.

MERCHANT BANKING DIVISION

Corporate Office : 1011, Building No. 10, Saffaire Corporate Park, Guru Hargowindji Road, Chakala, Andheri (East), Mumbai - 400 093

Tel.: 4225 4800 • Fax : 4225 4880 • E-mail : mbd@arihantcapital.com • Website : www.arihantcapital.com

Registered Office : 6, Lad Colony, Y. N. Road, Indore - 452 001 CIN : L67120MP1992PLC007182

ISO 9001:2015 CERTIFIED COMPANY



- 2 -

The above confirmation is based on the information furnished and explanations provided to us by the management of the Company and SDPL assuming the same is complete and accurate in all material aspects on as is basis with an underlying fundamental assumption of responsible ownership and competent management. We have relied upon the financials, information and representations furnished to us on as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus or any opinion on the current and future solvency of SDPL and fulfilling its financial obligations as may be envisaged in the Scheme. Our opinion on the Abridged Prospectus / information memorandum is based on data provided to us and we assume no liability towards any decision based on our opinion by any third party. This certificate is based on the information as at July 13, 2020. This certificate is a specific purpose certificate issued in terms with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of applicable law including company taxation and securities markets related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all regarding the Company's underlying decision to effect the Scheme or as to how the holders of Equity Shares of the Company should vote at their respective meeting held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We express no opinion whatsoever and make no recommendations at all as to whether shareholders/investors should buy, sell or hold any stake in the company or any of its related parties.

Thanking you,

Yours faithfully,
For Arihant Capital Markets Limited

Amol Kshirsagar
Vice President - Merchant Banking



ARIHANT CAPITAL MARKETS LTD.
MERCHANT BANKING DIVISION

Corporate Office : 1011, Building No. 10, Solitaire Corporate Park, Guru Hargovindji Road, Chakala, Andheri (East), Mumbai - 400 093
Tel.: 4225 4800 ● Fax : 4225 4880 ● E-mail : mbd@arihantcapital.com ● Website : www.arihantcapital.com
Registered Office : 6, Lad Colony, Y. N. Road, Indore - 452 001 CIN : L67120MP1992PLC007182
ISO 9001:2015 CERTIFIED COMPANY

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED
PROSPECTUS (AS PROVIDED IN PART E OF SCHEDULE VI OF THE SECURITIES AND
EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2018 ["SEBI ICDR Regulations"]**

This Document contains applicable information pertaining to the unlisted entity, Sheth Developers Private Limited ("SDPL" or the "Transferee Company") and the Scheme of Arrangement which is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with other applicable provisions and rules thereunder involving Precious Trading And Investments Limited ("PTIL" or the "Transferor Company") and their respective shareholders and creditors which is being issued pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ("SEBI Circular"). Nothing in this document constitutes an offer or an invitation by or on behalf of SDPL and PTIL to subscribe for or purchase any of the securities of PTIL.

**THIS ABRIDGED PROSPECTUS CONTAINS 15 PAGES.
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This document dated [*] should be read together with the Scheme and the notice to the shareholders of PTIL in connection with the Scheme.

Capitalized words not defined herein shall mean the words as defined in the Scheme.

SHETH DEVELOPERS PRIVATE LIMITED

Regd Office : Ground and Third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East), Mumbai - 400057

Tel : 022-4260 2400; **Fax:** 022 42933533; **e-mail :** cs@shethdevelopers.com;

website : www.ashwinshethgroup.com

CIN : U45200MH1993PTC070335

Contact Person : Mr. Ankush Bhoir

**PROMOTER OF SDPL : MR. ASHWIN NATWARLAL SHETH, MR. CHINTAN
ASHWIN SHETH AND MR. MAULIK ASHWIN SHETH**

DETAILS OF THE SCHEME

The Scheme provided for the following which shall be deemed to have occurred on the Effective Date (as defined in the Scheme):

This Scheme provides for the merger of the Transferor Company with and into the Transferee Company pursuant to Section 230 read with Section 232 and other relevant provisions of the Companies Act, 2013 and read with the Rules therein, by:

- a. issuance of redeemable preference shares of the Transferee Company to the equity shareholders of the Transferor Company except to the Transferee Company as per the terms set out under the Scheme;
- b. dissolution without winding up of the Transferor Company;
- c. alteration of the memorandum of association of the Transferee Company in the manner provided in the Scheme;
- d. the consequent treatment of the Undertakings of the Transferor Company and the Transferee Company, in the manner provided for in the Scheme;

Upon the Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled and shall be deemed to be cancelled without any further act, deed or application.

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GENERAL INFORMATION

Sheth Developers Private Limited ("SDPL" or the "Transferee Company") was originally incorporated on January 06, 1993 as a Public Limited company under the provisions of the Companies Act, 1956 under the name and style of "Sheth Developers Limited". The Company was later converted into a private limited company as "Sheth Developers Private Limited" and fresh certificate of incorporation dated March 24, 2003 was issued by Registrar of Companies, Mumbai, consequent to the conversion of the Transferee Company into a private limited company. The Corporate Identification Number of the Company is U45200MH1993PTC070335.

The Registered Office of the Transferee Company is presently situated at Ground and Third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai- 400057, Maharashtra.

Details of Statutory Auditor:

M/s. S. M. Gupta & Co.
1103, Olive Dosti Acres,
S. M. Road, Antop Hill,
Wadala (East), Mumbai 400037
Tel: 7021170033
Email: smgupta@yahoo.com

BUSINESS OVERVIEW / MODEL

SDPL, incorporated in 1993 belongs to the Ashwin Sheth group of companies which is engaged in the development / construction of residential, commercial, retail and township projects in India and Dubai. The main objects of SDPL is to carry on the business of developers of land, building, immovable properties etc. by constructing / reconstructing residential / commercial projects.

SDPL's major investments include investment in equity shares of Precious Trading & Investments Limited ("PTIL"), Sheth Infrastructure Private Limited (SIPL), Sheth Estate (International) Limited (SEIL) and in Sheth Shelters Private Ltd ("SSPL").

SDPL is an operating company with certain projects on hand currently and also has investments in other companies.

PROMOTER OF SDPL

The promoters of SDPL are Mr. Ashwin Natwarlal Sheth, Mr. Chintan Ashwin Sheth and Mr. Maulik Ashwin Sheth.

1. **Mr. Ashwin Natwarlal Sheth**, aged 59 years, has over 30 years of experience in construction business. He holds a Bachelor's degree in Commerce. He founded the Sheth Group during the year 1986 and is presently the Managing Director of Sheth Developers Private Limited, the Transferee Company. Under his leadership the Company has created large townships, major complexes and skyscrapers through resourceful planning, focus on quality and customer-oriented designs.

Mr. Ashwin Sheth can be credited in the execution of some key residential, commercial and retail projects in Mumbai and Dubai. Some of these projects have won national and international awards. The key projects include Beaumonde (Prabhadevi), Viviana Mall (Thane), Cnergy (Prabhadevi), Montana, Vasant Lawns, Vasant Marvel - Grandeur, Iris Bay and Iris Blue in Dubai.

Mr. Ashwin Sheth holds 7,37,550 Equity Shares in the Transferee Company constituting 73.75% of its Equity Capital.

2. **Mr. Chintan Ashwin Sheth** aged 35 years has over 10 years of experience in the Real Estate industry. He is responsible for Marketing & Sales, Procurement, Engineering, Construction, Customer Relationship Management, Human Resource and Administration divisions of the group. Mr. Chintan Sheth is also responsible for instilling professionalism and inducting the best talent pool in the Group. Having graduated from Columbia Engineering University in the USA, he has also brought in knowledge from the field of Computer Science and Engineering. He holds a Bachelor and Masters degree in Computer Science and Engineering from USA.

Mr. Chintan Sheth holds 54,000 Equity Shares in the Transferee Company constituting 5.40% of its Equity Capital.

3. **Mr. Maulik Ashwin Sheth** aged 31 years, has over 10 years of experience in the construction business. After graduating as a Mechanical Engineer from the Georgia Institute Of Technology, USA, he joined the Ashwin Sheth Group in the capacity of a Director where, he demonstrated his efficiency in the planning, implementation and successful execution of all the Group projects in Mumbai & Thane.

Mr. Maulik Sheth holds 54,000 Equity Shares in the Transferee Company constituting 5.40% of its Equity Capital.

BOARD OF DIRECTORS

Sr. No.	Name, DIN & PAN	Designation	Date of Appointment	Qualification & Experience
1.	Ashwin Natwarlal Sheth DIN: 00002053 PAN: AAHPS2888R	Managing Director	March 31, 2003	Mr. Ashwin, aged 59 years and having over 30 years of experience in construction business. He is Commerce graduate. He started the construction business in 1986 and is responsible for Business Strategies, Land Acquisition, Finance, Architecture, Legal and Project Planning.
2.	Chintan Ashwin Sheth DIN:03423785 PAN: BBHPS0087C	Director	January 11, 2019	Mr. Chintan, aged 35 years holds a Bachelor & Masters degree in Computer Science & Engineering from the Columbia Engineering University in the US A, having experience of over 10 years in construction business He is currently responsible for Marketing & Sales, Procurement, Engineering, Construction, Customer Relationship Management, Human Resource and Administration divisions of the group
3.	Maulik Ashwin Sheth DIN: 05274668 PAN: BRDPS8790L	Director	January 11, 2019	Mr. Maulik, aged 31 years holds a Bachelor & Masters degree in Mechanical Engineering from the Georgia Institute Of Technology USA, having experience of over 10 years in construction business. He is currently looking after Procurement, Engineering, Construction, Administration and the Marketing activities

Details and reasons for non deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years.

Sheth Developers Private Limited is an unlisted company and has not undertaken any public / rights issue since incorporation and hence the same is not applicable.

Name of the Monitoring Agency: Not Applicable

CAPITAL STRUCTURE

Particulars	Rupees
Authorised Share Capital	
<u>Equity Shares</u>	
10,00,000 equity shares of Rs. 100/- each	10,00,00,000
<u>Preference Shares</u>	
31,00,000 redeemable non-cumulative, non-participating preference shares of Rs. 10/- each	3,10,00,000
Issued, Subscribed and Paid-up Share Capital	
<u>Equity Shares</u>	
10,00,000 equity shares of Rs. 100/- each	10,00,00,000
<u>Preference Shares</u>	
29,77,200 Redeemable non-cumulative, non-participating preference shares of Rs. 10/- each	2,97,72,000

SHAREHOLDING PATTERN OF SDPL

Equity Capital

Sr. No.	Particulars	Pre Scheme of Arrangement as on 15/05/2020		Post Scheme of Arrangement	
		No. of shares	%	No. of shares	%
1.	Promoter				
	- Individuals	8,49,134	84.91%	8,49,134	84.91%
	- Bodies Corporate	1,50,866	15.09%	1,50,866	15.09%
2.	Public	-	-	-	-
	Total	10,00,0000	100.00%	10,00,0000	100.00%

Preference Capital

6%, Redeemable, Non-cumulative, Non-participating and Non-convertible Preference shares

Sr. No.	Description	Pre Scheme of Arrangement as on 15/05/2020		Post Scheme of Arrangement	
		No. of shares	%	No. of Shares	%
1	Promoter/Promoter group				
	- Individuals	-	-	-	-
	- Bodies Corporate	23,25,000	78.09%	23,25,000	78.09%
2	Public (Non Cumulative)				
	- Individuals	6,52,200	21.91%	6,52,200	21.91%
	Total	29,77,200	100.00%	29,77,200	100.00%

10%, Redeemable, Cumulative, Non-participating and Non-convertible Preference shares

Sr. No.	Description	Pre Scheme of Arrangement as on 15/05/2020		Post Scheme of Arrangement	
		No. of shares	%	No. of Shares	%
1	Promoter/Promoter group - Individuals - Bodies Corporate	-	-	-	-
2	Public (Cumulative) -Individuals	-	-	7,38,96,930	100.00%
	Total	-	-	7,38,96,930	100.00%

SUMMARY OF FINANCIAL STATEMENTS (STANDALONE)

(Rs. in Lacs)

	29/02/2020	2018-19	2017-18	2016-17	2015-16	2014-15
	Ind AS	Ind AS	Ind AS	IGAAP	IGAAP	IGAAP
Total income from operations	20,719.45	6,822.18	18,436.47	18,247.46	22,377.13	41,546.02
Profit before tax and extraordinary items	1,763.82	852.59	1,695.59	(21,897.67)	(238.73)	1,406.98
Profit after tax and extraordinary items	1,866.07	387.42	5,438.31	(21,993.78)	(484.86)	2,518.87
Equity Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Reserves & Surplus	16,674.56	14,808.49	14,417.04	9,039.18	31,032.97	31,517.82
Net Worth	11,917.88	10,051.81	9,660.36	3,947.50	25,951.29	26,436.14
Basic EPS (Rs.)	186.61	38.74	543.83	(2,199.38)	(48.49)	251.89
Diluted EPS (Rs.)	186.61	38.74	543.83	(2,199.38)	(48.49)	251.89
Return on Networth (%)	14.80%	8.48%	17.55%	-554.72%	-0.92%	5.32%
NAV per share (Rs.)	1,192	1,005	966	395	2,595	2,644

SUMMARY OF FINANCIAL STATEMENTS (CONSOLIDATED)**(Rs. in Lacs)**

	29/02/2020	2018-19	2017-18	2016-17	2015-16	2014-15
	Ind AS	Ind AS	Ind AS	IGAAP	IGAAP	IGAAP
Total income from operations	26,832.79	6,822.18	18,436.47	18,247.46	22,377.13	53,929.63
Profit before tax and extraordinary items	4,153.03	496.08	1,469.26	(21,901.98)	(244.87)	382.53
Profit after tax and extraordinary items	13,009.72	1,429.48	6,099.64	(21,998.09)	(490.99)	2,020.90
Equity Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Reserves & Surplus	28,618.39	24,196.02	22,762.70	16,140.41	37,599.30	32,676.22
Net Worth	23,124.85	18,702.47	17,269.15	4,456.24	25,406.18	27,469.39
Basic EPS (Rs.)	1,300.97	142.95	609.96	(2,199.81)	(49.10)	202.09
Diluted EPS (Rs.)	1,300.97	142.95	609.96	(2,199.81)	(49.10)	202.09
Return on Networth (%)	17.96%	2.65%	8.51%	-491.49%	-0.96%	1.39%
NAV per share (Rs.)	2,312.48	1,870.25	1,726.91	445.62	2,540.62	2,746.94

INTERNAL RISK FACTORS

1) Real Estate Risks

Our business is heavily dependent on the performance of, and the prevailing conditions affecting, the real estate market in the Mumbai-Thane region. Deterioration in market conditions or a drop in real estate prices in the Mumbai-Thane region could materially and adversely affect our business, financial condition and results of operation.

2) Accounting Policies

Significant differences exist between Indian GAAP used throughout our financial information and other accounting principles, such as US GAAP and IFS/IFRS. The Investor should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar.

3) Risks in relation to the Company

- a) The Company is subject to risks relating to the economic, political, legal or social environments of the locations in which we operate.
 - b) The Company has entered into loan agreements with other Lenders which contain certain restrictive covenants inter alia requiring mortgage of project and escrow mechanism for funds collected which are restrictive in nature that limits the Company's access to free cash flow.
 - c) We have a significant amount of debt, which exposes us to liquidity, refinancing and interest rate risks.
- 4) A slowdown in economic growth in India could cause the Company's business to suffer.
- 5) Future legal and regulatory obstructions may adversely affect the performance of the Company

SUMMARY OF MATERIAL OUTSTANDING LITIGATIONS, PENAL ACTIONS

A. Total number of outstanding litigations against the company and amount involved.

Sheth Developers Private Limited is involved in total 63 pending litigation, claims and regulatory actions involving amount of about Rs. 23.26 Crores.

B. Brief details of top 5 material outstanding litigations against the Company and the amount involved

Sr.	Particulars / brief of the case	Litigation filed by	Current status	Amount involved	Date of next hearing
1	Amrish Kumar Jain has preferred an Arbitration petition before the Sole Arbitrator Justice J.P Devadhar. The claimant was appointed by the Respondent to complete civil work at Avalon site in Thane. The dispute arose out of Agreement dated 07.04.2015, as the same was terminated by the Respondent as the Claimant could not complete the assigned civil work within timelines agreed and there was delay on part of the claimant.	Mr. Amrish Kumar Jain	For framing of issues	Rs. 3.48 Crores	Last date was 23.03.2020 Further update not available.
2	Magnum Silks Pvt. Ltd. through its Director Mr. Purshottam Tulsiani and Mr. Purshottam Tulsiani had booked a flat in La Citadel Project. However, SDPL had vide letter dated 18.12.2012 had expressed its inability to commence the construction of the said project and/or handover the possession of the said flat at anytime in the near future and had requested Magnum Silks Pvt. Ltd. through its Director Mr. Purshottam Tulsiani and Mr. Purshottam Tulsiani to come forward and collect the refund amounting to Rs. 67,70,871/-; however, Mr. Purshottam Tulsiani and Magnum Silks Pvt. Ltd. through its Director Mr. Purshottam Tulsiani had approached the Consumer forum and filed Consumer Complaint bearing No. 3611 of 2017 against SDPL requesting the Court to direct SDPL to give possession of the flat or an alternate flat of similar character and compensation/relief of Rs.20,68,000/- calculated @1% per month from 01.01.2014 and legal cost of Rs. 25,000/-	Magnum Silks Pvt Ltd	Pending for hearing	Rs. 3.30 Crores	14.08.2020

Sr.	Particulars / brief of the case	Litigation filed by	Current status	Amount involved	Date of next hearing
3	Allumilite Architecturals Limited has preferred an Arbitration Petition No 1143 of 2018 before Hon'ble Bombay High Court. Hon'ble court appointed Sole Arbitrator Adv. Arif Doctor to adjudicate the dispute. The Claimant use to supply Alluminium window at the project of the respondent at Avalon site, Thane. The dispute arose out of Work order dated 04.10.2017 as the Petitioner could not complete the assigned work within the timelines as agreed in the Work Order hence the dispute.	Allumilite Architecturals Ltd	Pending for cross examination	Rs. 1.94 Crores	Last date was 13.03.2020 Further update not available.
4	Sahiba Usmani had booked a flat in La Citadel project. However, SDPL had vide letter dated 18.12.2012 had expressed its inability to commence the construction of the said project and/or handover the possession of the said flat at anytime in the near future and had requested Dilip Bijalani to come forward and collect the refund amount paid by Sahiba Usmani towards the consideration value of the said flat;- however, Dilip Bijlani went ahead and filed Suit bearing No. 664 of 2016 before the Hon'ble Bombay High Court against SDPL and Poonam Builders thereby requesting the Hon'ble Bombay High Court to direct SDPL to adhere to the terms of the allotment letter dated 15.02.2006 thereby seeking possession of the said flat and to pay compensation of Rs. 35,00,000/- as damages for the delay. To also direct SDPL to pay Rs. 1,00,000/- as license fee per month till the completion of the project with 10% escalation every year.	Mr. Dilip Bijlani	Pending for hearing	Rs. 1.90 Crores	Not updated on High court website
5	Dilip Bijlani had booked a flat in La Citadel project. However, SDPL had vide letter dated 18.12.2012 had expressed its inability to commence the construction of the said project and/or handover the possession of the said flat at anytime in the near future and had requested Dilip Bijalani to come forward and collect the refund amounting paid by Dilip Bijlani towards the consideration value of the said flat; however, Dilip Bijlani went ahead and filed Suit bearing (L) No. 241 of 2016 before the Hon'ble Bombay High Court against SDPL and Poonam Builders thereby requesting the Hon'ble Bombay High Court to direct SDPL to adhere to the terms of the	Mr. Dilip Bijlani	Pending for hearing	Rs. 1.80 crores	Not updated on High court website

Sr.	Particulars / brief of the case	Litigation filed by	Current status	Amount involved	Date of next hearing
	allotment letter dated 16.01.2006 thereby seeking possession of the said flat and to pay compensation of Rs. 50,00,000/- as damages for the delay. To also direct SDPL to pay Rs. 2,00,000/- as license fee per month till the completion of the project with 10% escalation every year.				

C. Regulatory Action, if any- disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any -

There are no regulatory / disciplinary action taken or initiated by SEBI or Stock Exchanges against the promoters / group companies in the last 5 financial years, including outstanding action

D. Brief details of outstanding criminal proceedings against Promoters.

Sr. No.	Case No.	Name of the Parties	Court	Summary of the matter	Status	Remark/Action
1	Criminal Case No. 131/SW/2015	Dilip Bijlani Vs Sheth Developers Pvt. Ltd Mr. Ashwin Sheth Mr. Vallabh Sheth Mr. Jitendra Sheth	MM Court, Bandra	Complaint filed u/s 156(3) of Cr.Pc i.e. to register the cases for offence u/s 406, 420, 120(b), 463 of IPC Customer of LA-Citadel Project	Pending for hearing before High Court	FIR No. 84 of 2016 has been registered by Kurar Police Station vide Order passed u/s 156(3). Order dated 03.03.2016 passed u/s 156 of Cr.Pc. Sheth Developers Pvt. Ltd & Ors. have filed Criminal Application bearing No. 364 of 2016 before the Hon'ble Bombay High Court u/s 482 of Cr.Pc for quashing of FIR and the same is pending for 22.04.2019. In the said Criminal Application, the Hon'ble Bombay High Court vide Order dated 29.04.2016 has granted interim relief thereby directing the concerned Police Station not to take coercive steps. Next Date for hearing in the matter is not yet updated

Sr. No.	Case No.	Name of the Parties	Court	Summary of the matter	Status	Remark/Action
2.	Criminal Case No. 237/SW/2018	Mr. Anand B Gupta Vs Sheth Developers Pvt. Ltd Mr. Ashwin Sheth Mr. Jitendra Sheth Mr. Vallabh Sheth	Metropolitan Magistrate, Mumbai	Complaint filed u/s 156(3) of Cr.Pc i.e. to register the cases for offence u/s 406, 417, 420, 120(b), 467, 471, 34 of IPC. Anand Gupta is one of the customer who had booked flat in LA-Citadel Project and since this project was put in abeyance due to dispute between the landowner and the Developer and therefore the developer offered refund of the part consideration paid by Anand Gupta alongwith interest as per MOFA however the same was not acceptable to him and the customer filed an FIR under MOFA read with IPC. Customer of LA-Citadel Project	Settled with original complainant	FIR No. 03 of 2018 has been registered by Kurar Police Station vide Order passed u/s 156(3). Order dated 10.04.2018 passed u/s 156(3) of Cr.Pc Sheth Developers Pvt. Ltd & Ors. have filed Criminal Writ Petition bearing No. 4581 of 2018 before the Hon'ble Bombay High Court for quashing of FIR. Meanwhile, interim application was filed by one Mrs. Sahiba Usmani (customer of the same project) to join in the present proceedings. NO FIR filed by her against SDPL and its directors Matter settled with Anand Gupta and consent terms filed basis which order dated 7 th January, 2020 passed wherein Hon'ble High Court quashed and set aside the cognizance in FIR No. 03 of 2018 to the extent of grievance of Mr. Anand Gupta and further substitute Mrs. Sahiba Usmani in place of Anand Gupta in the said Writ Petition Next Date for hearing in the matter is not yet updated

SCHEME DETAILS AND ITS RATIONALE

Background of the scheme

The Scheme provides for the merger of the Transferor Company with and into the Transferee Company pursuant to Section 230 read with Section 232 and other relevant provisions of the Companies Act, 2013 read with the Rules therein, by:

- (a) issuance of redeemable preference shares of the Transferee Company to the equity shareholders of the Transferor Company except to the Transferee Company, as per the terms set out under the Scheme;
- (b) dissolution without winding up of the Transferor Company;
- (c) alteration of the memorandum of association of the Transferee Company in the manner provided in the Scheme;
- (d) the consequent treatment of the Undertakings (as defined hereunder) of the Transferor Company and the Transferee Company, in the manner provided for in the Scheme; and
- (e) various other matters consequential to or otherwise integrally connected with the above.

Rationale for the scheme

- (a) The Transferor Company has been a loss-making entity and the Transferor Company's revenue for the year ending 31 March 2019 has been nil. The Transferor Company is primarily, holding investments. This function can easily be carried out by the Transferee Company on its own. This would help by reducing an unnecessary layer and thereby improving transparency. Also, the revenue generation of the Transferee Company has been positive and if these entities are merged as per the Scheme hereunder, the activities of the Transferor Company can be carried out by the Transferee Company.
- (b) Further, since the year 2001, no business activity (other than making of investment) has been undertaken by the Transferor Company. No trading activity has been undertaken on BSE Limited (BSE) by any of the Shareholders of the Transferor Company. Therefore, notwithstanding the listing of equity shares of the Transferor Company, the shareholders of the Transferor Company have not really enjoyed the benefit of listing in particular, they have not enjoyed any liquidity in respect of their shareholding nor have they enjoyed any significant appreciation in value of their shares. On the other hands, under the Scheme, they will be issued redeemable preference shares of the Transferee Company which will effectively ensure that the shareholders are able to enjoy appreciation in value of investment held by the Transferor Company and will be assured of obtaining liquidity on redemption of preference shares in an assured timeframe or even earlier if an identified market maker is willing to acquire the preference shares. Thus, with this merger, the Transferor Company is unlocking the value of the shares for its Shareholders. Accordingly, if the Transferor Company is merged with the Transferee Company, there will not be any adverse effect on the Shareholders of the Transferor Company. The Scheme will not in any manner be prejudicial to the interest of the concerned shareholders, creditors, employee or key managerial personnel or any stakeholder or general public at large.

- (c) Both the Transferor Company and the Transferee Company have the same key managerial personnel and accordingly the business of the Transferor Company can be merged with the Transferee Company conveniently and can be carried on in conjunction more advantageously and therefore no useful purpose is being served by operating two separate legal entities.
- (d) In the above circumstance, the merger of the Transferor Company with the Transferee Company in accordance with this Scheme and the relevant provisions of the Act, read with the Rules would therefore enable the Parties to utilize the financial resources as well as the managerial, technical, distribution and marketing resources of each other and it would be beneficial for the effective management and controlled supervision of the Transferee Company, thereby protecting the interest of the Transferor Company.
- (e) Further, the Transferor Company, as on 31.03.2019, owes a liability of only Rs. 23,300 and accordingly, if the Transferor Company is merged with the Transferee Company, the liability of the Transferee Company will increase negligibly and there will not be any adverse effect on the Transferee Company.

Consideration

In consideration of the transfer of and vesting of the Undertakings in the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot, a total of 7,38,96,930 unlisted, 10%, redeemable, cumulative, non-participating and non-convertible preference shares of Rs. 10/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders of the Transferor Company other than the Transferee Company, holding fully paid up equity shares of the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company in the following proportion:

For equity shareholders of the Transferor Company other than the Transferee Company:

1,231 unlisted, 10%, redeemable, cumulative, non-participating and non-convertible preference shares of Transferee Company of Rs. 10/- each fully paid up for one equity share of the Transferor Company of Rs. 10/- each fully paid up

For complete details of the scheme of arrangement, please refer Annexure I

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956/ 2013 ("Act") and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India , established under section 3 of the Securities and Exchange Board of India Act 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Act, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For Sheth Developers Private Limited

Sd/-
Ashwin N. Sheth
Director
DIN: 00002053

Place : Mumbai
Date: July 13, 2020

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 along with other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Merger between Precious Trading And Investments Limited ("the Transferor Company") and Sheth Developers Private Limited ("the Transferee Company") and their respective Shareholders.

Precious Trading And Investments Limited, a)
company incorporated under the provisions of the)
Companies Act, 1956 and having its registered)
office at Ground and Third Floor, Prius Infinity,)
Paranjape B Scheme, Subhash Road, Vile Parle(East))
Mumbai – 400 057.)Applicant Company

PROXY FORM

Name of the member(s)	:	_____
Registered address	:	_____ _____ _____
E-mail ID	:	_____
Folio No. /DP ID & Client ID*	:	_____
No. of shares held	:	_____

* Applicable in case shares are held in electronic form.

I/We, being the member(s) of [_____] shares of the PRECIOUS TRADING AND INVESTMENTS LIMITED, hereby appoint

1. Name: _____
Address: _____
Email – ID: _____
Signature: _____ , or failing him

2. Name: _____
Address: _____
Email – ID: _____
Signature: _____ , or failing him

3. Name: _____

Address: _____

Email – ID: _____

Signature: _____ , or failing him

as my / our proxy, to act for me/ us at the National Company Law Tribunal convened Meeting of the Equity Shareholders of the Company to be held on Saturday, 29th August, 2020 at 10.30 a.m. at Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East) Mumbai – 400 057 for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Merger between Precious Trading And Investments Limited and Sheth Developers Private Limited and their respective Shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 at such meeting and any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s).....(here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said arrangement embodied in the Scheme and the resolution, either with or without modification(s)*, as my/ our proxy may approve.

*strike out whatever is not applicable

Please affix revenue stamp

Signed this ___ day of _____ 2020

Signature of Shareholder(s)

Signature of Proxy Holder(s)

Notes:

1. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialed.
4. In case of multiple proxies, the Proxy later in time shall be accepted.
5. Proxy need not be shareholder of the Company.

PRECIOUS TRADING AND INVESTMENTS LIMITED

CIN - L51900MH1983PLC029176

Registered Office: Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road,
Vile Parle(East) Mumbai – 400 057, Maharashtra
Tel – 022 -42602400, Fax - 022-429333533,
Website:www.ptil.co.in, Email: cs@ptil.co.in

ATTENDENCE SLIP

TRIBUNAL CONVENED MEETING ON SATURDAY, 29TH AUGUST 2020 AT 10.30 A.M.

Folio No: / DP ID & Client ID*
No. of shares held

* Applicable in case shares are held in electronic form.

I/ We certify that I/ We am/ are registered shareholder/ proxy for the registered shareholder of the Company.

I/ We hereby record my presence at the **TRIBUNAL CONVENED MEETING** of the **Precious Trading And Investment Limited** to be held on Saturday, 29th August 2020 at 10.30 a.m. at Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East) Mumbai – 400 057.

Shareholder's / Proxy's name in **BLOCK** letters

Signature of Shareholder /Proxy

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Joint Shareholder(s) may obtain additional attendance slip at the venue of the meeting.

Route map to the Venue of the Court Convened Meeting

Venue : 3rd Floor,
Prius Infinity,Paranjape 'B' Scheme,
Subhash Road,Vile Parle (East),
Mumbai – 400057

Landmark : Behind Garware House

