

## **INDEPENDENT AUDITOR'S REPORT**

To The Members/ Liquidator's  
HMT Chinar Watches Limited (under Liquidation)  
Report on Audit of Financial Statements

### **Opinion**

We have audited the accompanying standalone financial statement of HMT Chinar Watches Ltd. ("the Company") (under Liquidation) which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, Statement of changes in equity & notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards issued under section 133 of the act read with companies (Indian Accounting standards) rules, 2015, as amended, ("IND AS") & other accounting principles generally accepted in India, of the financial position of the company as at 31 March 2020, and the profit & 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 there under, 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.

### **Other Information**

The Company's Board of Directors/Liquidator is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report including annexures to Board's report, Business responsibility report, Corporate Governance & Shareholder's Information (as applicable), but does not include the financial statements and our auditor's report thereon. The director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do 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 when it becomes available 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, 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.

### **Responsibility of Management & those charged with Governance for Financial Statements**

The Company's Board of Directors/Liquidator are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act"), with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally

accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act"). This responsibility 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 Director's/Liquidator 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 Director's/Liquidator either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the companies act 2013 , we are also responsible for expressing our opinion on whether the company has adequate Internal Financial control systems in place & the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) order 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 annexure a Statement of matters specified in paragraph 3 and 4 of the order to the extent Applicable.
2. In terms of sub section (5) of section 143 of the companies act 2013, is not applicable due to the fact that liquidator has been appointed due to which, a statement on the directions issued under the aforesaid section by the Comptroller & Auditor General of India has not been examined by us.
3. As required by section 143(3) of the Act, we report that:
  - a) We have 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 such books;
  - c) The Balance Sheet, the Statement Profit and Loss, Cash Flow Statement & the statement

of changes in equity dealt with by this report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial Statements comply with the Accounting Standards specified under section 129 of Companies act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- e) Being a Government company provision of section 164(2) of companies act, 2013 is not applicable as per notification dated 5th June 2015 issued by the Department of company affairs, Government of India.
- f) Nothing has come to our notice during the course of our audit that the company does not have Internal Financial Controls or that they are inadequate or ineffective.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditor's) 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 Litigation on its Financial Position in its 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.

For Manoj Chhabra & Co.  
Chartered Accountants

F.R No. 013440N  
UDI No:20090781AAAABQ3771  
Manoj Chhabra  
Proprietor M.No. 090781  
Place: New Delhi  
Date:22-06-2020

## Annexure to Independent Auditors Audit Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date:

- i. The Company is not carrying any Fixed asset in its Books, and hence maintenance of proper records, Physical verification of the fixed assets at reasonable intervals, discrepancy noticed upon such verification, the name in which the title deeds of the property is held, does not arise.
- ii. The company has not dealt with any Inventory during the year. Hence the clause relating to Physical Verification of Inventory at reasonable intervals & dealing with material discrepancies in the books of account does not arise.
- iii. The company has granted Loans & advances of Rs. 175 Lakhs, to the holding company, the terms Interest & repayment is not specified as per section 189 of company's act 2013.
- iv. Being Government company, the provisions of sections 185 and section 186 of the Companies Act, 2013 are not applicable.
- v. The Company has not accepted any deposits from the Public & hence the applicability of sections 73 to 76 of the Act and/or directives issued by Reserve Bank of India or any other relevant provisions of the Act and the Rules framed there under, does not arise.
- vi. The Central Government has not prescribed the maintenance of any cost record under sub section 148 of Companies Act, 2013
- vii. The company is regular in depositing undisputed statutory dues with the appropriate authorities. The company did not have any statutory dues pending payment for a period of more than six months as at the end of the year; and the company did not have any pending dispute before any forum.
- viii. The company does not owe any money to bank, Financial Institution, Government or Debenture holder; & hence the matter of default does not arise.
- ix. The company did not raise any money by public offer or availed any term loan during the financial year; & hence application of such loan for the stated purpose, does not arise.
- x. According to the information and explanations given to us, no fraud on the company or by the officers & employees of the company have been noticed or reported during the year.
- xi. Since the company is a Government company, the provisions of Section 197 of the Companies Act are not applicable to the company.
- xii. As per information and explanation provided to us the company is not a Nidhi Company, therefore the provisions under Nidhi Rules, 2014 are not applicable.
- xiii. The company, being Government company Provisions of section 188 of companies act 2013 are not applicable. No audit committee has been formed by the company as required under the provisions of section 177 of the Companies act 2013.
- xiv. The company has not made any preferential allotment or private- placement of shares or fully or partly convertible debentures during the year.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with them during the year.
- xvi. The company has not carried out any Non Banking Financial activities & hence not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manoj Chhabra & co.  
Chartered Accountants  
F.R No. 013440N  
UDI No: 20090781AAAABQ3771  
Manoj Chhabra  
Propreitor M.No. 090781  
Place: New Delhi Date:22-06-2020

**BALANCE SHEET AS AT 31.03.2020**

(Rs. In Lakh)

	NOTE NO	31-Mar-20	31-Mar-19
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>0</b>	<b>0</b>
<b>Current assets</b>			
Loans and advances (Related parties)	2.2	<b>175.00</b>	175.00
Trade receivables ( Related parties)	2.3	<b>380.60</b>	383.39
Cash and cash equivalents	2.4	<b>230.94</b>	28.84
Other current assets	2.5	<b>0.78</b>	205.39
<b>TOTAL ASSETS</b>		<b>787.33</b>	792.62
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity Share Capital	2.6	<b>166.01</b>	166.01
Other Equity	2.7	<b>(59082.92)</b>	(59081.03)
Current liabilities			
Financial liabilities			
i. Borrowings			
ii. Trade and other payables			
ii. Other Financial Liabilities			
	2.8	<b>59703.21</b>	59703.21
Other current liabilities	2.9	<b>1.04</b>	0.30
<b>TOTAL LIABILITIES</b>		<b>787.33</b>	792.62

**See accompanying notes to the financial statements** **2.1**
**As per our report of even date attached**
**For Manoj Chhabra & Co.,**

Chartered Accountants

FRNo :

**Mr. Manoj Chhabra**
**Proprietor**
**M.No : 90781**

 For and on behalf of  
**H M T Chinar Watches Limited**
**Akhilesh Kumar Gupta**

Liquidator

**Place : Bangalore**
**Date :**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020**

		(Rs. In Lakh)	
	NOTE NO	31-Mar-20	31-Mar-19
Discontinued Operations			
Other income	2.10	10.43	15.26
<b>Total revenue</b>		<b>10.43</b>	<b>15.26</b>
Expenses			
Employee benefit expense	2.11	0.96	-
Other expense	2.12	6.73	16.08
<b>Total expenses</b>		<b>7.69</b>	<b>16.08</b>
<b>Profit/ (loss) before exceptional items and tax</b>		2.74	(0.82)
<b>Exceptional items</b>			
Profit/ (loss) before tax		2.74	(0.82)
Tax expense			
a) Current year		-	-
b) Previous year		4.63	-
<b>Profit/ (loss) for the period from discontinued operations</b>		<b>(1.90)</b>	<b>(0.82)</b>
<b>Profit/ (loss) for the period</b>		<b>(1.90)</b>	<b>(0.82)</b>
Other comprehensive income			
Items that will not be reclassified to profit and loss		-	-
Remeasurement Gain/(Loss) on Defined Benefit Obligations		-	-
Net items of OCI that will not be reclassified to profit and loss		-	-
Items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the period</b>		<b>(1.90)</b>	<b>(0.82)</b>
<b>(Profit/ loss + other comprehensive income)</b>			
<b>Earnings per equity share (for continuing operations)</b>			
a) Basic			
b) Diluted			
<b>Earnings per equity share (for discontinued operations)</b>			
a) Basic		<b>(0.11)</b>	<b>(0.05)</b>
b) Diluted		<b>(0.11)</b>	<b>(0.05)</b>
<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
a) Basic		<b>(0.11)</b>	<b>(0.05)</b>
b) Diluted		<b>(0.11)</b>	<b>(0.05)</b>
<b>See accompanying notes to the financial statements</b>	<b>2.1</b>		

As per our report of even date attached  
**For Manoj Chhabra & Co.,**  
Chartered Accountants  
FRNo :

**Mr. Manoj Chhabra**  
**Proprietor**  
**M.No : 90781**

**Place : Bangalore**  
**Date :**

For and on behalf of  
**H M T Chinar Watches Limited**

**Akhilesh Kumar Gupta**  
Liquidator

**CASH FLOW STATEMENT**

(Rs. In Lakh)

Particulars	31-Mar-20	31-Mar-19
<b>Cash Flow from Operating activities:</b>		
<b>Operating Profit before Working capital Changes</b>	<b>(1.90)</b>	<b>(0.82)</b>
Adjustments For:		
<b>Increase/Decrease in Current assets</b>		
Trade Receivables	2.79	
Loans and advances	-	
Other Current Assets	204.61	<b>(203.82)</b>
<b>Increase/Decrease in Current liabilities</b>		
Trade Payables		
Current Liabilities	(4.13)	
Other Current Liabilities	0.74	<b>(1.11)</b>
<b>Long term provision</b>	-	<b>190.21</b>
<b>Cash Flow From Operating Activities</b>	<b>202.11</b>	<b>(15.54)</b>
<b>Net Cash Flow From Operating Activities(A)</b>	<b>202.11</b>	<b>(15.54)</b>
<b>Net Cash Flow From Investing Activities (B)</b>	-	-
<b>Net Cash From Financing Activities (C)</b>	-	-
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>202.11</b>	<b>(15.54)</b>
<b>Opening Cash &amp; Cash Equivalents</b>	<b>28.84</b>	<b>44.38</b>
<b>Closing Cash and Cash Equivalents as at 31st March</b>	<b>230.95</b>	<b>28.84</b>

Note: This cash flow statement is prepared in indirect method, as set out in IND AS-7, Companies (Accounting Standard) rules 2006

**As per our report of even date attached**  
**For Manoj Chhabra & Co.,**  
 Chartered Accountants  
 FRNo :

**Mr. Manoj Chhabra**  
**Proprietor**  
**M.No : 90781**

**Place : Bangalore**  
**Date :**

For and on behalf of  
**H M T Chinar Watches Limited**

**Akhilesh Kumar Gupta**  
 Liquidator

**Notes on financial Statements As on 31.03.2020**

(Rs. In Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>2.2 Loans &amp; advances</b>		
	<b>Amount in Rs</b>	<b>Amount in Rs</b>
Loans & Advances to related parties	175.00	175.00
<b>Total</b>	<b>175.00</b>	<b>175.00</b>
<b>2.3 TRADE RECEIVABLES</b>		
Receivable from related parties		
HMT Watches Ltd	-	357.05
HMT Machine Tools Ltd	-	6.85
HMT Ltd	380.60	19.49
<b>Total</b>	<b>380.60</b>	<b>383.39</b>
<b>TRADE RECEIVABLES</b>		
Secured Considered good		
Unsecured, considered good	380.60	383.39
Doubtful		
Less Allowance for doubtful Debts		
<b>Total</b>	<b>380.60</b>	<b>383.39</b>
<b>2.4 CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
- Current Account	2.87	3.65
Deposit with banks	225	25.00
Interest accrued on FDs'	3.07	0.19
<b>Total</b>	<b>230.94</b>	<b>28.84</b>
<b>2.5 OTHER CURRENT ASSETS</b>		
Withholding of taxes and tax receivables	0.78	0.91
Funds with Gratuity trust	0.00	204.48
<b>Total</b>	<b>0.78</b>	<b>205.39</b>



**Notes on financial Statements As on 31.03.2020**

(Rs. In Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>2.8 OTHER FINANCIAL LIABILITIES</b>		
GOI Liability to be written off	59703.21	59703.21
<b>Total</b>	<b>59,703.21</b>	<b>59,703.21</b>
<b>2.9 OTHER CURRENT LIABILITIES</b>		
Dues to other creditors	-	0.30
VAT/ CST payable	-	4.13
Other Liabilities	1.04	-
<b>Total</b>	<b>1.04</b>	<b>4.43</b>

**Statement of changes in equity as on 31<sup>st</sup> March 2020**

(Rs. in lakhs)

**2.6. Share capital**
**Authorised share capital**

	Equity Shares	
	Number	Amount
<b>At 1 April 2017</b>	20,00,000	200.00
Increase/(decrease) during the year		
<b>At 31 March 2018</b>	<b>20,00,000</b>	<b>200.00</b>
Increase/(decrease) during the year		
<b>At 31 March 2019</b>	<b>20,00,000</b>	<b>200.00</b>
Increase/(decrease) during the year		
<b>At 31 March 2020</b>	<b>20,00,000</b>	<b>200.00</b>

**Issued Capital**
**Equity shares of INR 10 each issued and fully paid**

	Number	Amount
	<b>At 1 April 2017</b>	<b>16,60,100</b>
Increase/(decrease) during the year		
<b>At 31 March 2018</b>	<b>16,60,100</b>	<b>166.01</b>
Increase/(decrease) during the year		
<b>At 31 March 2019</b>	<b>16,60,100</b>	<b>166.01</b>
Increase/(decrease) during the year		
<b>At 31 March 2020</b>	<b>16,60,100</b>	<b>166.01</b>

The Company has only one class of equity shares having par value of INR10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

**Details of shareholders holding more than 5% shares in the company**

Name of the Share Holder	No of Shares	% holding	No of Shares	% holding
<i>Equity shares of INR10 each fully paid</i>	16,60,100	100.00%	16,60,100	100.00%
<i>HMT Limited</i>				

## Statement of Changes in Equity

### 2.7 A. Equity Share Capital

(In lakh)

Balance at the beginning of the reporting period 1st April 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period 31st March 2019	Changes in equity share capital during the year 2019-20	Balance at the end of the reporting period 31st March 2020				
					16601000	-	16601000	
16601000	-	16601000	-	16601000				
<b>B. Other Equity</b>								
	Reserves and Surplus			Other Comprehensive Income				
	Capital reserve	Retained earnings	General Reserve	FVTOCI reserve	Discontinued operations	Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	Total equity attributable to equity holders of the company
<b>Balance as of 1st April 2018</b>	0	(58,388.31)	-	-	(1,149.95)	-	458.04	(59,080.21)
Changes in accounting policy or prior period errors								
<b>Restated balance as of 1st April 2018</b>	0	(58,388.31)	-	-	(1,149.95)	-	458.04	(59,080.21)
Discontinued operations					(0.82)			(0.82)
Remeasurement of the net defined benefit liability/asset, net of tax effect								
Total Comprehensive Income for the year								
<b>At 31 March 2019</b>	-	<b>(58,388.31)</b>	-	-	<b>(1,150.77)</b>	-	<b>458.04</b>	<b>(59,081.03)</b>

	Reserves and Surplus			Other Comprehensive Income		Total equity attributable to equity holders of the company		
	Capital reserve	Retained earnings	General Reserve	FVTOCI reserve	Discontinued operations	Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	
<b>Balance as of 1st April 2019</b>	0	(58,388.31)	-	-	(1,150.77)	-	458.04	(59,081.03)
Changes in accounting policy or prior period errors								
<b>Restated balance as of 1st April 2019</b>	0	(58,388.31)	-	-	(1,150.77)	-	458.04	(59,081.03)
Discontinued operations					(1.90)			(1.90)
Remeasurement of the net defined benefit liability/asset, net of tax effect								
Total Comprehensive Income for the year								
<b>At 31 March 2020</b>	-	<b>(58,388.31)</b>	-	-	<b>(1,152.67)</b>	-	<b>458.04</b>	<b>(59,082.92)</b>

As per our report of even date attached  
For Manoj Chhabra & Co.,  
Chartered Accountants

FRNo :

Mr. Manoj Chhabra

Proprietor

M.No : 90781

Place : Bangalore

Date :

For and on behalf of  
H M T Chinar Watches Limited

Akhilesh Kumar Gupta  
Liquidator

**Notes on financial Statements for the year ended -31.03.2020**

(Rs. In Lakh)

Particulars	For the year ended 31.03.2020 Amount in Rs	For the year ended 31.03.2019 Amount in Rs
<b>2.10 OTHER INCOME</b>		
Interest received on Fixed Deposits	10.43	0.21
Miscellaneous Income	0.005	15.05
<b>Total</b>	<b>10.43</b>	<b>15.26</b>
<b>2.11 EMPLOYEE BENEFIT EXPENSES</b>		
Gratuity	0.96	0
<b>Total</b>	<b>0.96</b>	<b>0</b>
<b>2.12 OTHER EXPENSES</b>		
Office Rent	0.86	1.12
Rates and Taxes	0.10	4.13
Travelling Expenses & Conveyance Allowance	-	1.11
Printing and Stationary Expenses	-	0.40
Auditors Remuneration #	0.18	0.20
Advertisement & publication	-	1.19
Liquidation Expenses	0.45	-
Balance write off	0.81	-
Miscellaneous Expenses	2.38	1.81
Legal Expenses & Professional Charges	1.95	3.83
Postage and telephone expenses	-	0.01
Internal Audit Fee	-	0.10
ROC Filling fees	-	1.60
Share of expenses in DLO Office	-	0.51
Casual Employees	-	0.05
Bank charges	0.01	0.02
<b>Total</b>	<b>6.73</b>	<b>16.08</b>
# Break up of Audit Fees		
For Statutory Audit	0.18	0.20
Out of Pocket Expense	0	0

## 2.13 Earnings per share (EPS)

	(Rs. In Lakh)	
	31-Mar-20	31-Mar-19
Profit attributable to equity holders:		
Continuing operations		
Discontinued operation	(1.90)	(0.82)
<b>Profit attributable to equity holders for basic earnings</b>	<b>(1.90)</b>	<b>(0.82)</b>
Interest on convertible preference shares	0.00	0.00
<b>Profit attributable to equity holders of the parent adjusted for the effect of dilution</b>	<b>(1.90)</b>	<b>(0.82)</b>
Weighted average number of Equity shares for basic EPS*	16,60,100	16,60,100
Effect of dilution:		
Convertible preference shares		
<b>Weighted average number of Equity shares adjusted for the effect of dilution *</b>	<b>16,60,100</b>	<b>16,60,100</b>
<b>EPS</b>	<b>(0.11)</b>	<b>(0.05)</b>

\* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

## Notes on financial Statements for the year ended -31.03.2020

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### 2.1 Significant Accounting Policies and Notes to Accounts

- 1 In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. The standalone financial statements of the Company are prepared and presented in accordance with Ind AS and in accordance with the accounting standards notified under the section 133 of the Companies Act 2013 ('the Act'), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP').
- 2 The company has suffered huge losses and its net worth has been eroded. The government in view of losses, had decided to close the company and pursuant to that a liquidator has been appointed for voluntary winding up of company. In view of the same the accounts of the company are not prepared on Going Concern basis and has been prepared on Liquidation Basis.
- 3 The company had not filed its tax return for the Assessment years 2012-13 to 2018-19 in view of huge losses. The company had received notice u/s 148 of the Income Tax Act.1961 in respect of some of the above mentioned years. The company in compliance to the notices received have filed the return of income for the relevant assessment years however in view of huge brought forward losses the possibilities of any additions to income is not there. The company has since received notice of demand in the subsequent financial year for penalty u/s 271 of the Act against these years amounting to Rs.185, 110 which has been paid for before the approval of financial statements in the subsequent financial year and accounted for accordingly.
- 4 Previous year figures have been regrouped/ recast wherever found necessary to confirm to current year classification.

For and on behalf of

**H M T Chinar Watches Limited**

**Akhilesh Kumar Gupta**

Liquidator

