HMT CHINAR WATCHES LIMITED

CONTENTS

BOARD OF DIRECTORS

Shri S. Girish Kumar	Chairman
Smt Shashi B. Srivastava	Managing Director
Shri V. P. Singh	Director (upto 13-11-2018)
Shri Mohd Zakir Hussain	Director (from 13-11-2018)

STATUTORY AUDITORS

For Subhaschandra P Kudari & Co
Chartered Accountants
Bengaluru.

REGISTERED OFFICE

HMT Chinar Watches Limited
SIDCO Industrial Complex
JAMMU -181133

PERFORMANCE HIGHLIGHTS

(₹ in Lakhs)

	2018-19	**2017-18**	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
OPERATING STATISTICS										
Sales	0	0	224	11	91	39	36	8	10	68
Other Income	15	1	464	369	37	12	361	30	119	507
Materials			548	0	2	0	0	1	1	7
Employees Cost	0	-14	-11	1023	166	181	305	431	475	571
Other operating cost	16	13	60	175	362	15	37	45	29	365
Depriciation	0	0	0	0	13	11	11	11	12	12
Earning before Interest & Tax	-1	2	91	-818	-415	309	-188	-397	-840	-1742
Interest	0	0	0	133	4489	4360	4285	4007	3700	3252
Earning / Loss before Tax	-1	2	91	-951	-4904	-5056	-5116	-4404	-4540	-4994
Taxation (Net of Provisions withdrawn/Refunds								-		
Net Earnings	-1	2	91	-951	-4904	-5056	-5116	-4404	-4540	-4994
FINANCIAL POSITION										
Net Fixed Assets	0	0	0	82	120	163	174	186	197	210
Current Assets	793	604	649	3251	689	972	1106	1071	1065	1516
Current Liabilities and Provisions	59707	59518	59563	62504	2635	4796	4416	4955	4836	4677
Working Capital	-58914	-58914	-58914	-59253	-1946	-3824	-3310	-3884	-3771	-3159
Capital Employed	-58914	-58914	-58914	-59171	-1826	-3661	-3136	-3698	-3574	-2949
Investments	-	-	-	-	-	-	-	-	-	-
Misc. Expenditure	-	-	-	-	-	-	-	-	-	-
Borrowings	59703	59703	59703	594.18	56361	49626	45095	39415	35137	31220
Net Worth	-58915	-58914	-59247	-59171	-58219	-53287	-48231	-43113	-38711	-34170
OTHER STATISTICS										
Capital Expenditure				-	-	-	-	-	-	
Internal Resources Generated	-1	2	91	-951	-4891	-5045	-5105	-4393	-4528	-4982
Working Capital turnover Ratio	-0.01	-0.01	-0.01	-0.01	-0.06	-0.02	-0.02	-0.01	-0.01	-0.02
Current Ratio	-0.01	-0.01	-0.01	-0.05	-0.26	-0.20	-0.25	-0.22	-0.22	-0.32
Return on Capital (%)	0	0	0	32.07	-0.81	-0.81	-0.81	-0.77	-0.72	-0.62
No of Employees	0	0	0	0	32	34	54	111	114	147
Per Capita Sales	0.00	0.00	0.00	0.00	2.84	1.15	0.67	0.07	0.09	0.46

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS/LIQUIDATORS,
HMT CHINAR WATCHES LIMITED,
(UNDER LIQUIDATION)

Report on Audit of Financial Statements

1. Opinion

We have audited the financial statements of HMT CHINAR WATCHES LIMITED ("the Company") (under liquidation), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss for the year then ended, Statement of Changes in Equity and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") 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, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted the 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.

3. 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

a) The company has closed its unit and granted voluntary retirement to its employees and all the employees of the company relieved by settling their dues.

b) The company was having land on leasehold basis from Govt. Of J&K which was handed over back to the Govt.

c) Being Govt. of India Enterprise and fully subsidiary of HMT Limited, the government of India has already decided to close the company after incurring huge losses. Even-though, the financial statements have been prepared on the basis of going concern assumption, the same has been affected due to the fact that of appointment of liquidator for voluntary windup of the affairs of the company. Hence the basis of going concern concept is affected in this scenario.

d) The operations of the company have been closed few years ago as reported to us. No provision has been made for possibility of claims and losses which the company may face in future due to closure as there is no claim/litigation against the company other than those brought in the books of accounts.

e) Sundry Creditors and Sundry Debtors were not confirmed. Company has shown a balance of Rs.383.39 laks from its parent company & its subsidiary companies. Suitable explanations not furnished about, whether it is a trade receivable or loans and advances and related disclosure in the financials were not made to us.

f) Income tax was not deducted on few payments such as Printing and stationary & Professional charges.

g) Company has not filed Income tax returns for the last few years. This has a direct impact on the allowing of the losses incurred by the company as well as related tax provisions.

h) The Company's management has closed the operations and is in the process of winding up by appointing liquidator during the year. The company has accumulated deficits and the net worth of the Company has been totally eroded. The negative net worth is Rs. 58,915/- Lakhs as at March 31, 2019.

i) The company funded an amount of Rs. 175/- laks as a temporary loan to one of its subsidiary with a condition to pay back at once

j) The sale of whole inventory has been made to HMT Watches Limited, being parent company and nothing has been realised from the buyer till the Balance Sheet date.

k) We are modified our opinion of going concern, as the liquidation proceedings has been initiated by appointment of the liquidator.

4. Information other than Financial Statements and Auditor's Report thereon

The Company's Board of Directors/liquidator is responsible for the other information. The other information comprises of the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information (as applicable) but does not include the financial statements and our auditor's report thereon.

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 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.

5. Responsibilities of Management and Those Charged with Governance for the 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, and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 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/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 Directors/liquidator either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

6. 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 inability 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.

7. Report on Other Legal and Regulatory Requirements

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

II) In terms of sub section (5) of Section 143 of the Companies Act, 2013 is not applicable, due to fact that liquidator has been appointed due to which, a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India has not been examined by us.

III) 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 appears from our examination of those books.

c) The Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement and 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 133 of the Act, read with Rule 7 of the 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) The qualifications relating to the maintenance of accounts and other matters connect therewith are as stated in the "Key Audit Matters" paragraph above

g) 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.

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 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 that were required to be transferred to the Investor Education and Protection Fund by the Company.

For Subhaschandra P. Kudari & Co.,
Chartered Accountants
Firm Reg. No. 004094S

[S. P. KUDARI]
Proprietor
M. No. 020513

Place : Bengaluru
Date : 24-05-2019

ANNEXURE - A TO THE AUDITOR'S REPORT – YEAR END 31-03-2019

(Referred to in Para 7 of our report of even date)

1. 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.

2. The company has not dealt with any inventory during the year. Hence the clause relating to physical verification of inventory at reasonable intervals and dealing with material discrepancies in the books of account does not arise.

3. The company has granted loan of Rs.175 laks, to the associated company the terms interest and repayment is not specified as per section 189 of CA 2013.

4. Being Government Company, provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

5. The company has not accepted deposit from the public and hence the applicability and compliance with the directives issued by Reserve Bank of India, or section 73 to 76 and other relevant provisions of Companies Act 1956 and the rules framed hereunder, does not arise.

6. The Central Government has not prescribed maintenance of cost records under section 148(1) of The CA 2013.

7. The company is not regular is 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.

8. The company does not owe money to any bank, financial institution, Government or debenture holder; and hence the matter of any default does not arise.

9. The company did not raise any money by public offer or availed any term loan during the financial year; and hence application of such loan for the stated purpose, does not arise.

10. As per the information and explanation given to us, no fraud on the company or by the officers and employees of the company have been noticed or reported during the year.

11. The Company is a Government company and hence the provisions section 197 read with Schedule V to the CA 2013 dealing with managerial remuneration is not applicable.

12. The company is not a Nidhi Company and hence clause 3(xii) of CARO 2016 is not applicable.

13. 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.

14. The company has not made any preferential allotment or private placement of its shares or debentures during the year under review.

15. The company has not entered into any non-cash transactions with directors, or persons connected with them, during the year under review.

16. The Company has not carried on any non-banking financial activities, and hence the registration requirement under section 45-IA of the Reserve Bank of India Act, 1934 does not apply to the company.

For Subhaschandra P. Kudari & Co.,
Chartered Accountants
Firm Reg. No. 004094S

[S. P. KUDARI]
Proprietor
M. No. 020513

Place : Bengaluru
Date : 24-05-2019

Significant Accounting Policies:

i) ***Basis of preparation:***

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').

The financial statements have been prepared on the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii) ***Summary of Significant Accounting Policies:***

a) Use of estimates:

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

b) Property, Plant & Equipment

Property, Plant and Equipment ('PPE') are stated at cost of acquisition or construction, net of vatable taxes, less accumulated depreciation to date. Cost includes direct costs and financing costs related to borrowing attributable to acquisition that are capitalized until the assets are ready for use.

Expenditure in connection with the development of land is capitalised in the year in which the expense is incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Assets taken on Finance Lease are capitalized at fair value / NPV / contracted price. Depreciation on the same is charged at the rate applicable to similar type of fixed assets as per Accounting Policy on 'Depreciation'. If the lease assets are returnable to the lessor on expiry of lease period, the same is depreciated over its useful life or lease period, whichever is shorter.

Lease payments made are apportioned between finance charges and reduction of outstanding liability in relation to assets taken on lease.

Lease payments made for assets taken on Operating Lease are recognized as expense over the lease period.

The cost of an item of PPE shall be recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

Items of PPE which is held for sale within 12 months from the end of reporting period is disclosed at lower of carrying cost or fair value less cost of sale.

The carrying amount of an item of PPE is de-recognised:

(a) on disposal; or

(b) where no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of PPE shall be included in statement of profit or loss when the item is derecognised.

Special Tools:

Expenditure on manufactured and bought out special tools held for use in the production or supply of the goods or services and whose use is greater than one period is considered as an item of PPE and is depreciated over its useful life of 5 years.

c) Borrowing Cost:

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.Borrowing costs directly attributable to acquisition of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.All other borrowing costs are expensed in the period in which they occur.

d) Investment Property:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.The Company depreciated building component of investment property as per the useful life prescribed in Schedule II of the Act.Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement profit or loss in the period of de-recognition.

e) Intangible Assets :

i) Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

ii) Expenditure on Technical Know-how is recognized as an Intangible Asset and amortized on straight line method based on technical assessment for a period not exceeding ten years. The amortization commences when the asset is available for use.

iii) The cost of software internally generated / purchased for internal use which is not an integral part of the related hardware is recognized as an Intangible Asset and is amortized on straight line method based on technical assessment for a period not exceeding ten years.

iv) *Research and Development Expenditure:*

Research Phase:

Expenditure on research including the expenditure during the research phase of Research & Development Projects is charged to profit and loss account in the year of incurrence.

Development Phase:

Expenditure incurred on Development Costs, which relate to Design, Construction and Testing of a chosen alternative for new or improved material, devices, products, processes, systems or services are recognized as an intangible asset. Such Intangible assets are amortized based on technical assessment over a period not exceeding ten years using straight line method.

f) Depreciation and Amortisation:

Depreciation on PPE is provided on straight line basis over the useful life of the various assets as prescribed in Schedule II to the Act, pro-rata with reference to the date of addition or deletion. As and when PPE gets fully depreciated, Re.1/- is retained as book value of the PPE. PPE costing less than Rs. 10,000/- shall be depreciated to Re.1/- in the year of purchase.

Each part of an item of PPE (also known as 'Component') with a cost that is significant in relation to the total cost of the item and has different useful life from that of the PPE it shall be depreciated separately.

Special Tools capitalised as PPE is depreciated over the period of five years and items those costing less than Rs.750 is depreciated in the year of acquisition/ manufacture.

Amortisation methods and useful lives of intangible assets are reviewed periodically including at the end of each financial year.

g) Non-current assets held for distribution to owners and discontinued operations:

The Company classifies non-current assets as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Non-current Assets classified as held for sale/ distribution are presented separately in the balance sheet

h) Government Grants:

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expenses. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

i) Inventories:

Raw materials, stores, work in progress and finished goods are valued at the lower of cost and net realizable value. The cost of materials is ascertained by adopting Weighted Average Cost Method.

Cost of work in progress, finished goods and goods-in-transit comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead being allocated on the basis of normal operating capacity.

j) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.Based on Ind AS 115, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

The Company collects the applicable taxes on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

i) *Sale of goods:*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company recognises the Sale of Goods based on:

1) Physical delivery of goods to the customer/customer's carrier/common carrier, duly supported by invoice, excise duty paid challan, gate pass, delivery voucher and LR / GR, in case of ex-works contracts.

2) In case of FOR destination contracts, "when the significant risk and reward of ownership get transferred to the buyer on physical delivery.

3) Despatches to dealers/customers in respect of sale.

ii) *Rendering of services:*

Revenue from sale of services is recognised by reference to the stage of completion. Stage of completion is measured by services performed to date as a percentage of total services to be performed.

iii) *Rental Income:*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

iv) *Dividend Income:*

Dividend income is recognised when the Companies right to receive the payment is established, which is generally when shareholders approve the dividend.

v) *Interest Income:*

Interest income, including income arising from other financial instruments measured at amortised cost, is recognized using the effective interest rate method.

vi) *Warranty:*

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.With regard to turnkey projects implemented by the company, warranty provision at the rate of 2 percent of the purchase value is provided

vii) Extended Warranties:

When the company sells extended warranty, the revenue from sale of extended warranty is deferred and recognised over the period covered by the warranty. Where extended warranties are included in the price of the product and provide protection in excess of that provided by normal terms and conditions of sale for the relevant product, the company will separate and account for these two items separately.

k) Foreign Currency Translation:

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

l) Retirement & Other Employee Benefits:

Provident Fund is provided for, under a defined benefit scheme. The contributions are made to the Trust administered by the company.

Leave encashment is provided for under a long-term employee benefit based on actuarial valuation.

Gratuity is provided for, under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation. Annual contributions are made, to the extent required, to a trust constituted and administered by the Life Insurance Corporation of India under which the coverage is limited to Rs.50,000/- per eligible employee. The balance provision is being retained in the books to meet any additional liability accruing thereon for payment of Gratuity.

Settlement allowance (‘SA’) is provided for, under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation.

The Company recognizes the net obligation of a defined benefit plan i.e. Gratuity and SA in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in Other Comprehensive Income are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Pension is provided for under a defined contribution scheme, contributions are made to the Pension Fund administered by the Government.

The amount of Rs.50,000/- per head received/ receivable from LIC on account of gratuity claims in respect of employees separated under Voluntary Retirement Scheme during the year is accounted as Other Income.

In respect of employees who are separated other than under Voluntary Retirement Scheme, the Gratuity paid in excess of Rs.50,000/-, Earned Leave Encashment (ELE), SA is debited to the respective provision accounts. The provision at the yearend for Gratuity, ELE and SA is restated as per the actuarial valuation done at the year-end.

Gratuity, ELE, SA and lumpsum compensation paid to employees under Voluntary Retirement Scheme ("VRS") shall be fully written off in the year of incidence.

Expenses incurred in respect of bonds issued for raising funds to meet payments made under the VRS are fully written off in the year of disbursement.

m) Income taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i) *Current taxes:*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

ii) *Deferred Taxes:*

Deferred income tax assets and liabilities are recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

n) Provisions:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized in the statement of Profit and loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o) Impairment:

i) Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

ii) *Non-financial assets:*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

p) Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i) Cash & cash equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of twelve months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) Financial assets at amortised cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) *Financial assets at fair value through other comprehensive income:*

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company presents the subsequent changes in fair value in Other Comprehensive Income.

iv) *Financial assets at fair value through profit or loss:*

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

v) *Financial Liabilities:*

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

vi) *De-recognition of financial instruments:*

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

vii) *Fair value of financial instruments:*

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

viii) Investment in subsidiaries, joint ventures and associates:

Investment in subsidiaries, joint ventures and associates is carried at cost.

iii) Significant accounting judgements, estimations and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

a Operating lease– Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b Discontinued Operations :

As per the CCEA Approval on 06/01/2016 it was decided that the operations of the Company will be closed. Thereafter, operations closed in the same Financial Year. According the Assets have been classified based on the definitions under IND AS16, IND AS 40 and IND AS 105. It is planned that the company will lease out the major portions of the land and buildings to a third party to generate lease rentals for the Company and accordingly, it is classified as Investment Properties

c Property, plant & equipment :

Building at Corporate Head Office, where the significant portion of the property is used as Company owner occupied property and certain portion has been leased out by the Company. The management doesn't have any intention to sell the building and the portion of building which has been leased is for a short period and accordingly, it has been classified as PPE.

ii) ***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a Deferred Taxes :

Deferred Tax Assets must be recognised to the extent that it is probable that future profits will be available against which the deductible temporary difference can be utilised. The company does not recognise Deferred Tax Asset since the company has unused tax losses and there is no convincing evidence about future taxable profit.

b Defined Benefit Obligations:

The cost of the defined benefit gratuity plan and Settlement Allowance and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

c Other Long-Term Employee Benefits

Other Long-Term Employee Benefits like Earned Leave Encashment is determined through an actuarial valuation. The measurement of the long-term employee benefits is not subject to the same degree of uncertainty as the measurement of Defined Benefit Obligation. For this reason, the Re-measurement are not recognised in Other Comprehensive Income.

d Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the NAV/NRV model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

BALANCE SHEET AS AT 31ST MARCH 2019

(₹ in lakhs)

	Notes No.	As at 31-Mar-2019	As at 31-Mar-2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.2A		
Current assets			
Inventories	2.3	-	-
Financial assets			
Loans and advances (Related paerties)	2.4	175.00	175.00
i. Trade receivables (Related parties)	2.4	383.39	384.07
ii. Cash and cash equivalents	2.5	28.84	44.38
Other current assets	2.6	205.39	0.89
Non Current Assets Held for Sale	2.2B		
	2.6A		
TOTAL ASSETS		**792.62**	**604.35**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.7	166.01	166.01
Other Equity	2.8	(59081.03)	(59,080.21)
Non-current liabilities			
Financial liabilities			
i. Borrowings			
Provisions			
i. Employee Benefit obligations	2.12A	-	(190.21)
Other non- current liabilities			
Current liabilities		4.13	
Financial liabilities			
i. Borrowings			
ii. Trade and other payables			
iii. Other Financial Liabilities	2.9	59703.21	59,703.21
Provisions			
i. Employee Benefit obligations	2.12B	-	
ii. Others	2.11		
iii. Other current liabilities	2.13	0.30	5.55
TOTAL LIABILITIES		**792.62**	**604.35**
See accompanying notes to the financial statements	2.1	0.00	

As per our report of even date attached
For Subhaschandra P. Kudari & Co.,
Chartered Accountants
FRNo : 004094S

For and on behalf of the Board of Directors of
HMT Chinar Watches Limited

Mr. S. P. Kudari
Proprietor, M.No : **020513**
Place : Bangalore
Date : 24.05.2019

Shashi B Srivastava, IDAS
Managing Director
DIN : 07582574

S.Girish Kumar
Chairman
DIN : 03385073

Akhilesh Kumar Gupta
Liquidator

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2019

(₹ in lakhs)

	Notes No.	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Continuing Operations		-	-
Discontinued Operations			
Revenue from operations	2.14	-	-
Other income	2.15	15.26	0.79
Total revenue		**15.26**	**0.79**
Expenses			
Cost of material consumend	2.16	-	-
Changes in inventory of work-in progress, stock-in- trade and finished goods.	2.17A	-	-
Excise Duty on Sale		-	-
Changes in Excise Duty on Finished Goods	2.17B	-	-
Employee benefit expense	2.18	-	(13.53)
Depreciation and amortisation expense	2.2A	-	-
Other expense	2.19	16.08	12.86
Finance Cost	2.20	-	-
Total expenses		**16.08**	**(0.67)**
Profit/ (loss) before exceptional items and tax		(0.82)	1.46
Exceptional items			
Profit/ (loss) before tax		(0.82)	1.46
Tax expense			
a) Current tax		-	-
b) Deferred tax		-	-
Profit/ (loss) for the period from discontinued operations		(0.82)	1.46
Profit/ (loss) for the period		(0.82)	1.46
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		-	-
Total comprehensive income for the period		(0.82)	1.46
(Profit/ loss + other comprehensive income)			

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2019

(₹ in lakhs)

	Notes No.	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Earnings per equity share (for continuing operations)			
a) Basic			
b) Diluted			
Earnings per equity share (for discontinued operations)			
a) Basic		(0.05)	0.09
b) Diluted		(0.05)	0.09
Earnings per equity share (for discontinued & continuing operations)			
a) Basic		(0.05)	0.09
b) Diluted		(0.05)	0.09
See accompanying notes to the financial statements	2.1		

As per our report of even date attached
For Subhaschandra P. Kudari & Co.,
Chartered Accountants
FRNo : 004094S

For and on behalf of the Board of Directors of
HMT Chinar Watches Limited

Mr. S. P. Kudari
Proprietor, M.No : **020513**
Place : Bangalore
Date : 24.05.2019

Shashi B Srivastava, IDAS
Managing Director
DIN : 07582574

S.Girish Kumar
Chairman
DIN : 03385073

Akhilesh Kumar Gupta
Liquidator

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019

(₹ in lakhs)

	31-Mar-2019	31-Mar 2018
Cash Flow from Operating activities:		
Operating Profit before Working capital Changes	**(0.82)**	**1.46**
Adjustments For:		
Non Cash Items		
Gain/Loss on sale of Property, Plant and Equipment		
Deferred Tax		**-**
Increase/Decrease in Current assets		
Trade Receivables		
Other Current Assets	**(203.82)**	**6.25**
Increase/Decrease in Current liabilities		
Trade Payables		
Other Current Liabilities	**(1.11)**	**(30.45)**
VRS Compensation		
Short term provision	**-**	**(2.48)**
Long term provision	**190.21**	**(13.53)**
Cash Flow From Operating Activities	**(15.54)**	**(38.75)**
Net Cash Flow From Operating Activities (A)	**(15.54)**	**(38.75)**
Cash Flow From Investing Activities:		
Proceeds from sale of Proeprty, Plant and Equipment		-
Net Cash Flow From Investing Activities (B)	**-**	**-**
Cash Flow From Financing Activities		
Issuance of equity shares		
Proceeds from long term borrowings		-
Interest Payment		
Net Cash From Financing Activities (C)	**-**	**-**
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	**(15.54)**	**(38.75)**
Opening Cash & Cash Equivalents	**44.38**	**83.13**
Closing Cash and Cash Equivalents as at 31st March	**28.84**	**44.38**

Note : This cashflow statement is prepated in indirect method, as set out in Ind As -7, Companies (Accounting Standard) Rules 2006.

As per our report of even date attached
For Subhaschandra P. Kudari & Co.,
Chartered Accountants
FRNo : 004094S

For and on behalf of the Board of Directors of
HMT Chinar Watches Limited

Mr. S. P. Kudari
Proprietor, M.No : **020513**
Place : Bangalore
Date : 24.05.2019

Shashi B Srivastava, IDAS
Managing Director
DIN : 07582574

S.Girish Kumar
Chairman
DIN : 03385073

Akhilesh Kumar Gupta
Liquidator

NOTES ON FINANCIAL STATEMENTS

(Rs. in lakhs)

		For the years ended 31.03.2019 Amount in Rs.	For the years ended 31.03.2018 Amount in Rs.
2.2	**Inventories**		
	Raw Materials	-	-
	Work-in-progress	-	-
	Finished Goods	-	-
	Stores and Spares	-	-
	Traded Goods	-	-
	Less: Provisions	-	-
	Total	-	-
2.3A	**Loans & advance**		
	Loans & Advances to related parties	175.00	175.00
	Total	**175.00**	**175.00**
2.4	**TRADE RECEIVABLES**		
	Trade receivable	-	0.02
	Receivable from related parties		
	HMT Watches Ltd	357.05	357.13
	HMT Machine Tools Ltd	6.85	6.85
	HMT Ltd	19.49	20.07
	Less : Allowance for doubtful Debts	0	0
	Total	**383.39**	**384.07**
	TRADE RECEIVABLES		
	Secured Considered good		
	Unsecured, considered good	383.39	384.07
	Doubtful		-
	Less : Allowance for doubtful Debts		-
	Total	**383.39**	**384.07**
2.5	**CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	- Current Account	3.65	44.19
	Deposit with banks	25.00	0.19
	Cash/Cheques on hand		
	Interest accured on FDs’	0.19	
	Total	**28.84**	**44.38**
2.6	**OTHER CURRENT ASSETS**		
	Staff Advances/Claims		
	Prepaid and others		
	Deposits with various authorities		
	Withholding of taxes and tax receivables	0.91	0.89
	Funds with Gratuity trust	204.48	
	Total	**205.39**	**0.89**

NOTES FORMING PART OF BALANCE SHEET

(₹ in lakhs)

	As at 31-Mar-2019	As at 31-Mar-2018

Statement of changes in equity as on 31st March 2019

2.7 Share capital

Authorised share capital
Equity Shares

	Number	Amount
At 1 April 2017	20,00,000	200.00
Increase/(decrease) during the year	0	0.00
At 31 March 2018	**20,00,000**	**200.00**
Increase/(decrease) during the year	0	0.00
At 31 March 2019	**20,00,000**	**200.00**

Issued Capital

	Equity shares of INR 10 each issued and fully paid	
	Number	**Amount**
At 1 April 2017	**16,60,100**	**166.01**
Increase/(decrease) during the year	**0**	0.00
At 31 March 2018	**16,60,100**	**166.01**
Increase/(decrease) during the year	0	0.00
At 31 March 2019	**16,60,100**	**166.01**

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
Equity shares of INR10 each fully paid				
HMT Limited	16,60,100	100.00%	16,60,100	100.00%

Statement of Changes in Equity

2.8 A. Equity Share Capital

Balance at the beginning of the reporting period 1st April 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period 31st March 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period 31st March 2019
16601000	Nill	16601000	Nill	16601000

2.8 B. Other Equity

	Reserves 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 co.
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Balance as of 1st April 2017	-	(58,388.31)	-	-	(1.151.41)	-	458.04	(59,081.67)
Changes in accounting policy or prior period errors								-
Restated Balance as of 1st April 2017	**-**	**(58,388.31)**	**-**	**-**	**(1.151.41)**	**-**	**458.04**	**(59,081.67)**
Discontinued operations					1.46			1.46
Remeasurement of the net defined benefit liability/asset, net of tax effect							-	-
Total Comprehensive income for the year								-
At 31 March 2018	**-**	**(58,388.31)**	**-**	**-**	**(1,149,95)**	**-**	**458.04**	**(59,080.21)**

Other Equity

	Reserves 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 co.
Balance as of 1st April 2018	-	(58,388.31)	-	-	(1.149.95)	-	458.04	(59,080.21)
Changes in accounting policy or prior period errors								-
Restated Balance as of 1st April 2018	**-**	**(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								-
At 31 March 2019	**-**	**(58,388.31)**	**-**	**-**	**(1,150,77)**	**-**	**458.04**	**(59,081.03)**

As per our report of even date attached
For Subhaschandra P. Kudari & Co.,
Chartered Accountants
FRNo : 004094S

Mr. S. P. Kudari
Proprietor, M.No : 020513

Place : Bangalore
Date : 24.05.2019

For and on behalf of the Board of Directors of
HMT Chinar Watches Limited

Shashi B Srivastava, IDAS
Managing Director
DIN : 07582574

S.Girish Kumar
Chairman
DIN : 03385073

Akhilesh Kumar Gupta
Liquidator

NOTES ON FINANCIAL STATEMENTS

(Rs. in lakhs)

		For the years ended 31.03.2019 Amount in Rs.	For the years ended 31.03.2018 Amount in Rs.
2.9	**OTHER FINANCIAL LIABILITIES**		
	Current Maturities of Long Term Debt		
	GOI Loan Defaulted		
	Interest accrued and due on borrowings		
	Holding company Loans		
	GOI Liability to be written off	59703.21	59,703.21
	Total	**59,703.21**	**59,703.21**
2.11	**Provisions**		
	Provision for Warranty Claims		
	Opening		
	Additions		
	Utilised		
	Withdrawn		
		-	**-**
	Provision for Misc. Exp		
	Opening	-	-
	Additions		
	Utilised		
	Withdrawn	-	-
		-	**-**
	Total	**-**	**-**
2.12A	**i. Employee Benefit obligations**		
	A) Non Current		
	Gratuity	(204.48)	(190.21)
	Settlement Allowance		
	Leave Encashment		
		(204.48)	**(190.21)**
2.12B	**B) Current**		
	Gratuity	-	-
	Leave Encashment	-	-
	Settlement Allowance	-	-
	Arrear salaries and bonus	-	-
		-	**-**
	Total	**(204.48)**	**(190.21)**

NOTES ON FINANCIAL STATEMENTS

(Rs. in lakhs)

		For the years ended 31.03.2019 Amount in Rs.	For the years ended 31.03.2018 Amount in Rs.
2.13	**OTHER CURRENT LIABILITIES**		
	Dues to HMT Ltd		
	Statutory Liability - TDS and TCS		0.37
	Dues to other creditors	0.30	5.18
	Employees contribution payable to SPF	-	-
	Co's contribution payable to SPF	-	-
	VAT/ CST payable	4.13	-
	Gratuity payable	-	-
	Earned Leave Encashment payable	-	-
	Misc. advance to employees (Death Relief Payable)	-	-
	VRS Compensation	-	-
	Salaries and Wages	-	-
	Excise Duty provision on closing stock of Finished Goods	-	-
	Other Liabilities	-	-
	Total	**4.43**	**5.55**
2.14	**REVENUE FROM OPERATIONS**		
	Sale of Watches	0	-
	Total	**-**	**-**
2.15	**OTHER INCOME**		
	Interest received on Fixed Deposits	0.21	-
	Net gain/(Loss) on sale of Property, Plant and Equipment	0	-
	Rent Recovery	0	0.76
	Miscellaneous Income	15.05	0.01
	Provisions No Longer Required	0	0.01
	Total	**15.26**	**0.79**
2.16	**Cost of material consumend**		
	A) Raw material		
	Inventory at the beginning of the year	0	-
	Add: Purchases	0	-
	Inventory at the end of the year	0	-
		-	-
	B) Stores, Spares and Other Component Consumed		
	Inventory at the beginning of the year	0	-
	Add: Purchases		
	Inventory at the end of the year	0	-
		0	-
	Total	**-**	**-**

NOTES ON FINANCIAL STATEMENTS

(Rs. in lakhs)

	For the years ended 31.03.2019 Amount in Rs.	For the years ended 31.03.2018 Amount in Rs.
2.17A Changes in inventory of work-in progress, stock-in- trade and finished goods.		
Changes in Finished Goods		
Opening	0	-
Closing	0	-
Changes in Work in Progress		
Opening	0	-
Closing	0	-
Total [A + B]	**-**	**-**
2.17B Changes in Excise duty on inventory		
Changes in Finished Goods		
Opening	0	-
Closing	0	-
Total [A + B]	**0**	**-**
2.18 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	0	-
Provident Fund Contribution	0	-
PF Trust expenses	0	-
Gratuity	0	(13.53)
Staff Welfare Expenses	0	-
Total		**(13.53)**
2.19 OTHER EXPENSES		
Office Rent	1.12	-
Water and Electricity		-
Insurance		-
Rates and Taxes	4.13	-
Travelling Expenses & Conveyance Allowance	1.11	2.14
Printing and Stationary Expenses	0.40	0.37
Power & Fuel		-
Auditors Remuneration #	0.20	0.20
Advertisement & publication	1.19	0.01
Repairs and Maintenance		-
Miscellaneous Expenses	1.81	6.46

NOTES ON FINANCIAL STATEMENTS

(Rs. in lakhs)

		For the years ended 31.03.2019 Amount in Rs.	For the years ended 31.03.2018 Amount in Rs.
	Carriage outwards		
	Legal Expenses & Professional Charges	3.83	1.29
	Postage and telephone expenses	0.01	0.02
	MSTC Service Charges		-
	Entertainment expenses		-
	Books and periodicals		-
	Petrol oil & lubricants		-
	Internal Audit Fee	0.10	0.12
	ROC Filling fees	1.60	0.11
	EL Encashment Exp.		0.99
	Security Charges (CISF)		-
	Share of expenses in DLO Office	0.51	-
	Warranty Claims		-
	Sales and Distribution Expenses		-
	Sales Commission		-
	Casual Employees	0.05	1.12
	Bank charges	0.02	0.03
	Provision for Non Moving Inventories		-
	Total	**16.08**	**12.86**
	# Break up of Audit Fees		
	For Statutory Audit	0.20	0.20
	Out of Pocket Expense	0	0
2.20	**Finance Cost**		
	Interest on cash credit	0	-
	Interest on holding company	0	-
	Interest on loan from GOI	0	-
	Total	**0**	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2019

(₹ in lakhs)

	31 Mar 2019 INR Lacs	31 Mar 2018 INR Lacs
2.21. Earnings per share (EPS)		
Profit attributable to equity holders:		
Continuing operations		
Discontinued operation	(0.82)	1.46
Profit attributable to equity holders for basic earnings	**(0.82)**	**1.46**
Interest on convertible preference shares	0.00	0.00
Profit attributable to equity holders of the parent adjusted for the effect of dilution	**(0.82)**	**1.46**
Weighted average number of Equity shares for basic EPS*	16,60,100	16,60,100
Effect of dilution:		
Convertible preference shares		
Weighted average number of Equity shares adjusted for the effect of dilution *	**16,60,100**	**16,60,100**
EPS	**(0.05)**	**0.09**

* 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.