

# DOOGAR & ASSOCIATES

Chartered Accountants

## Independent Auditors' Report

To the Members of PP Devcon Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **PP Devcon Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with rule 3 of the Companies(Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



## **Opinion**

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

## **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 Act, we give in the "**Annexure I**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016.
  - (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure II**" and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its Ind AS financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts.



- iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund.

**For Doogar & Associates**  
Chartered Accountants  
Firm's Registration No: 000561N

  
Vikas Modi  
Partner  
Membership No: 505603

Place: New Delhi

Date: 01 MAY 2018

**Annexure I to Independent Auditors' Report (Referred to in our report of even date)**

- i. The Company does not have any Fixed Assets.
- ii. The inventory includes land/land rights. Physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not specified for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly Clause 3(vi) of the order is not applicable.
- vii. (a) According to the records of the Company, provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of customs, duty of excise, cess and other applicable material undisputed statutory dues have been deposited regularly during the year with the appropriate authorities.  
(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, or other applicable material statutory dues which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from any banks and financial institutions.
- ix. According to the information and explanations given to us, no term loan was taken and no money was raised by way of initial public offer or further public offer (including debt instruments) by the Company. Accordingly Clause 3(ix) of the order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, no managerial remuneration has been paid or provided during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, the transaction with the related parties is in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934..

**For Doogar & Associates**  
Chartered Accountants  
Firm's Registration No: 000561N

Vikas Modi  
Partner  
Membership No: 505603



Place: New Delhi

Date: 01 MAY 2018

**Annexure II to Independent Auditors' Report — 31 March 2018 (Referred to in our report of even date)**

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

We have audited the internal financial controls over financial reporting of **PP Devcon Private Limited** ("the Company") as at 31st March 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that



receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Doogar & Associates**  
Chartered Accountants  
Firm's Registration No: 000561N

Vikas Modi  
Partner  
M. No: 505603



Place: New Delhi  
Date: 01 MAY 2018

# PP Devcon Private Limited

Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
Corporate Identity Number : U45201DL2006PTC144849

## Balance Sheet as at March 31, 2018

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Deferred Tax Asset (net)	1	131.00	131.00
b) Non-Current Tax Assets(net)	2	4,809.00	4,809.00
c) Other Non-Current Assets		-	8,695,100.00
		4,940.00	8,700,040.00
<b>Current Assets</b>			
a) Inventories	3	164,083,705.65	76,144,377.65
b) Financial Assets	4	13,433.25	236,351.75
i) Cash and Cash Equivalents	5	1,610,860.00	106,500.00
c) Other Current Assets		165,707,998.90	76,487,229.40
<b>TOTAL ASSETS</b>		165,712,938.90	85,187,269.40
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	6	100,000.00	100,000.00
b) Other Equity		(9,088,691.10)	(8,927,112.60)
		(8,988,691.10)	(8,827,112.60)
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities	7	66,169,188.00	-
i) Trade Payable		66,169,188.00	-
<b>Current Liabilities</b>			
a) Financial Liabilities	8	3,000,125.00	3,000,125.00
i) Borrowings	9	8,900,000.00	8,900,000.00
ii) Trade Payable	10	5,836,168.00	56,049.00
iii) Other Financial Liabilities	11	90,796,149.00	82,058,208.00
b) Other Current Liabilities		108,532,442.00	94,014,382.00
<b>TOTAL EQUITY AND LIABILITIES</b>		165,712,938.90	85,187,269.40
Significant accounting policies	A		

The note nos. 1-28 form an integral part of financial statements.

As per our report of even date attached

For and on behalf of

**Doogar & Associates**

Chartered Accountants

Regn. No. 000561N



Vikas Modi

Partner

M.No. 505603

For and on behalf of the Board of Directors

Manish Kumar  
(Director)  
DIN: 00117415

Parmod Kumar  
(Director)  
DIN: 01484427

Place : New Delhi

Date 01 MAY 2018

# PP Devcon Private Limited

Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
Corporate Identity Number : U45201DL2006PTC144849

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

(Amount in Rupees)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
<b>Revenue</b>			
Revenue from operations	12	-	26,062,500.00
Other income	13	5,030.00	48,082.00
<b>TOTAL INCOME</b>		<b>5,030.00</b>	<b>26,110,582.00</b>
<b>Expenses</b>			
Change in Inventories	14	-	34,423,231.35
Finance cost	15	4,356.50	4,082.50
Other expenses	16	162,252.00	46,686.00
<b>TOTAL EXPENSES</b>		<b>166,608.50</b>	<b>34,473,999.85</b>
<b>Profit/(loss) Before Tax</b>		<b>(161,578.50)</b>	(8,363,417.85)
Tax expense	17	-	-
<b>Profit/(loss) for the year</b>		<b>(161,578.50)</b>	<b>(8,363,417.85)</b>
<b>Other comprehensive Income</b>			
Tax on above items		-	-
<b>Total other comprehensive Income</b>		-	-
<b>Total comprehensive Income for the year</b>		<b>(161,578.50)</b>	<b>(8,363,417.85)</b>
Earnings per equity share (in Rupees): Basic & diluted (Face value of Rs. 10 each)	18	(16.16)	(836.34)
Significant accounting policies	A		

The note nos. 1-28 form an integral part of financial statements.

As per our report of even date attached

For and on behalf of  
**Doogar & Associates**  
Chartered Accountants  
Regn. No. 000561N



Vikas Modi  
Partner  
M.No. 505603

Place : New Delhi  
Date : 01 MAY 2018

For and on behalf of the Board of Directors

  
**Manish Kumar**  
(Director)  
DIN: 00117415

  
**Parmod Kumar**  
(Director)  
DIN: 01484427

**PP Devcon Private Limited**

Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
Corporate Identity Number : U45201DL2006PTC144849

**Statement of Changes in Equity for the Year Ended March 31, 2018**

**A. Equity Share Capital**

Particulars	Numbers	Amount in Rupees
<b>Balance as at 1 April 2016</b>	10,000	100,000.00
Changes in equity share capital during 2016-17	-	-
<b>Balance as at 31 March 2017</b>	<b>10,000</b>	<b>100,000.00</b>
<b>Balance as at 1 April 2017</b>	10,000	100,000.00
Changes in equity share capital during 2017-18	-	-
<b>Balance as at 31 March 2018</b>	<b>10,000</b>	<b>100,000.00</b>

**B. Other Equity**

(Amount in Rupees)

Description	Attributable to the owners of PP Devcon Private Limited		
	Retained Earnings	Other comprehensive Income	Total Other Equity
<b>Balance as at 1 April 2016</b>	(563,694.75)	-	(563,694.75)
Profit/(Loss) for the year	(8,363,417.85)	-	(8,363,417.85)
Other Comprehensive Income	-	-	-
<b>Balance as at 31 March 2017</b>	<b>(8,927,112.60)</b>	-	<b>(8,927,112.60)</b>
<b>Balance as at 1 April 2017</b>	(8,927,112.60)	-	(8,927,112.60)
Profit/(Loss) for the year	(161,578.50)	-	(161,578.50)
Other Comprehensive Income	-	-	-
<b>Balance as at 31 March 2018</b>	<b>(9,088,691.10)</b>	-	<b>(9,088,691.10)</b>

The notes referred to above form an integral part of financial statements.

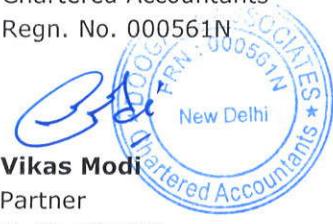
As per our audit report of even date attached

For and on behalf of

**Doogar & Associates**

Chartered Accountants

Regn. No. 000561N



Vikas Modi

Partner

M. No.505603

For and on behalf of board of directors

Manish Kumar

(Director)

DIN: 00117415



Parmod Kumar

(Director)

DIN: 01484427

Place: New Delhi

Date: 01 MAY 2018

**PP Devcon Private Limited**

Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
Corporate Identity Number : U45201DL2006PTC144849

**Cash flow statement for the year ended March 31, 2018**

(Amount in Rupees)

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	<b>(161,578.50)</b>	(8,363,417.85)
Adjustment for:		
Interest Received on FDR	-	(48,082.00)
Finance Cost	<b>4,356.50</b>	4,082.50
<b>Operating profit/(loss) before working capital changes</b>	<b>(157,222.00)</b>	(8,407,417.35)
<b>Adjustments for working capital</b>		
Inventory	<b>(87,939,328.00)</b>	23,658,228.35
Other Current Assets	<b>(1,504,360.00)</b>	(106,500.00)
Other Non-current Asset	<b>8,695,100.00</b>	(693,750.00)
Trade Payable	<b>66,169,188.00</b>	(65,878,916.00)
Current other financial liabilities	<b>5,780,119.00</b>	44,599.00
Other current liabilities	<b>8,737,941.00</b>	60,500,000.00
	<b>(61,340.00)</b>	17,523,661.35
<b>Cash (used in)/generated from operating activities</b>	<b>(218,562.00)</b>	9,116,244.00
Direct taxes paid	-	(4,940.00)
<b>Net cash (used in) / generated from operating activities</b>	<b>(218,562.00)</b>	9,111,304.00
<b>B. Cash flow from investing activities</b>		
Interest Income	-	48,082.00
<b>Cash (used in)/generated from Investing activities</b>	-	48,082.00
<b>C. Cash flow from financing activities</b>		
Repayment of borrowing	-	(10,000,000.00)
Bank charges paid	<b>(4,356.50)</b>	(4,082.50)
<b>Net cash (used in) / generated from Financing activities</b>	<b>(4,356.50)</b>	(10,004,082.50)
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(222,918.50)</b>	(844,696.50)
<b>Opening balance of cash and cash equivalents</b>	<b>236,351.75</b>	1,081,048.25
<b>Closing balance of cash and cash equivalents</b>	<b>13,433.25</b>	236,351.75

As per our report of even date attached

For and on behalf of

**Doogar & Associates**

Chartered Accountants

Regn. No. 000561N



Vikas Modi

Partner

M.No. 505603

For and on behalf of the Board of Directors

Manish Kumar  
(Director)

DIN: 00117415

Parmod Kumar  
(Director)  
DIN: 01484427

Place : New Delhi

Date : 01 MAY 2018

**PP Devcon Private Limited**  
Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
Corporate Identity Number : U45201DL2006PTC144849

**A. Significant accounting policies**

**1. Corporate information**

PP Devcon Private Limited ("The Company") is a subsidiary company of Omaxe Limited . Registered address of the company is 10, Local Shopping Centre, Kalkaji, New Delhi-110019

The company is into the Real estate Business.

**2. Significant accounting policies**

**i) Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 ('Ind AS') issued by Ministry of Corporate Affairs ('MCA'). The Company has uniformly applied the accounting policies during the period presented.

**ii) Revenue recognition**

Revenue is recognised on accrual basis and measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers.

**iii) Inventories**

Land is valued at cost, which is determined on average method. Cost includes cost of acquisition and all other costs incurred till the date of Possession.

**iv) Impairment of Non Financial Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

**v) Financial Instruments**

**a) Financial Assets**

**Initial recognition and measurement**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs

**Subsequent measurement**

(1) Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the Principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**De-recognition of financial assets**

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**b) Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and transaction cost that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

**Subsequent measurement**

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.

**De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or on the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**c) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25 details how the Company determines whether there has been a significant increase in credit risk.

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



*Tom & Dan ✓*

#### **vi) Provisions, contingent assets and contingent liabilities**

A provision is recognized when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **vii) Earnings per share**

Basic earnings per share are calculated by dividing the total comprehensive income for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the total comprehensive income for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity share.

#### **viii) Income Tax**

i. Provision for current tax is made based on the tax payable under the Income Tax Act, 1961. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

ii. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### **ix) Significant management judgement in applying accounting policies and estimation of uncertainty**

##### **Significant management judgements**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

##### **(a) Revenue**

Revenue is recognised on accrual basis and comprises of aggregate amounts of sale price agreed with customer and is recognised on the basis of cost of rights so transferred.

##### **(b) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.



1. DEFERRED TAX ASSETS (NET)		
Particulars	As at March 31, 2018	As at March 31, 2017
Mat credit entitlement	131.00	131.00
	131.00	131.00

2. OTHER NON-CURRENT ASSET		
Particulars	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good unless otherwise stated)		
Advance against goods, service and others		
- Others	-	8,695,100.00
	-	8,695,100.00

3. INVENTORIES		
Particulars	As at March 31, 2018	As at March 31, 2017
Land	164,083,705.65	76,144,377.65
	164,083,705.65	76,144,377.65

4. CASH & CASH EQUIVALENTS		
Particulars	As at March 31, 2018	As at March 31, 2017
Balance with Banks:		
- In Current Accounts	5,600.25	176,399.75
Cash on hand	7,833.00	59,952.00
	13,433.25	236,351.75

5. OTHER CURRENT ASSET		
Particulars	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good unless otherwise stated)		
Advance against goods, service and others		
- Others	1,610,860.00	106,500.00
	1,610,860.00	106,500.00



## 6.EQUITY SHARE CAPITAL

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorised</b> 10,000(10,000) Equity Shares of Rs.10 each	<b>100,000.00</b>	100,000.00
	<b>100,000.00</b>	100,000.00
<b>Issued, subscribed &amp; paid up</b> 10,000(10,000) Equity Shares of Rs.10 each fully paid up	<b>100,000.00</b>	100,000.00
	<b>100,000.00</b>	100,000.00

Figures in brackets represent those of the previous year.

### 6.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
<b>Equity Shares of Rs 10 each fully paid</b>				
Shares outstanding at the beginning of the year	<b>10,000</b>	<b>100,000.00</b>	10,000	100,000.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>10,000</b>	<b>100,000.00</b>	10,000	100,000.00

### 6.2 Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 10/-per share. Each holder of equity shares is entitled to one vote per share. If new equity shares, issued by the company shall be ranked pari-passu with the existing equity shares. The company declares and pays dividend in Indian rupees. The dividend proposed if any 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, if any in proportion to the number of equity shares held by the share holders.

### 6.3 Shares held by holding / Ultimate holding company and / or their subsidiaries and associates

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares held	Amount	Number of Shares held	Amount
<b>Holding Company</b> Omaxe Limited	<b>7,500</b>	<b>75,000.00</b>	7,500	75,000.00
	<b>7,500</b>	<b>75,000.00</b>	7,500	75,000.00

### 6.4 Detail of shareholders holding more than 5% shares in equity capital of the company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Omaxe Limited Mr. Parmod Kumar	<b>7,500</b> <b>2,500</b>	<b>75.00</b> <b>25.00</b>	7,500 2,500	75.00 25.00

The aforesaid disclosure is based upon percentages computed as at the balance sheet date. As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**6.5** The company has not reserved any shares for issue under options and contracts / commitments for the sale of shares / disinvestment.

**6.6** The company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash and has neither allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares since date of Incorporation.



**7. NON- CURRENT TRADE PAYABLE**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Other Trade Payable	66,169,188.00	-
	66,169,188.00	-

**8. SHORT TERM BORROWINGS**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unsecured</b>		
Loan from director (repayable on demand)	3,000,125.00	3,000,125.00
	3,000,125.00	3,000,125.00

**9. CURRENT TRADE PAYABLE**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Other Trade Payable	8,900,000.00	8,900,000.00
	8,900,000.00	8,900,000.00

**10. CURRENT OTHER FINANCIAL LIABILITIES**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Audit fee payable	11,800.00	11,500.00
Other Payable	4,550.00	44,549.00
Book Overdraft	5,819,818.00	-
	5,836,168.00	56,049.00

**11. OTHER CURRENT LIABILITIES**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from Holding company	89,973,208.00	82,058,208.00
Statutory dues payable	822,941.00	-
	90,796,149.00	82,058,208.00



## 12. REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income from sale of land	-	26,062,500.00
	-	26,062,500.00

## 13. OTHER INCOME

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	-	48,082.00
Miscellaneous Income	5,030.00	-
	5,030.00	48,082.00

## 14. CHANGE IN INVENTORIES

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Inventory at the beginning of the year</b>		
Land/Land Rights	76,144,377.65	99,802,606.00
<b>Add: Incurred during the year</b>		
Land, Development and other rights	87,939,328.00	10,765,003.00
<b>Less : Inventory at the end of the year</b>		
Land/Land Rights	164,083,705.65	76,144,377.65
	-	34,423,231.35

## 15. FINANCE COSTS

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Bank charges	4,356.50	4,082.50
	4,356.50	4,082.50

## 16. OTHER EXPENSES

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Administrative expenses</b>		
Rent	17,939.00	17,596.00
Rates and taxes	2,200.00	1,600.00
Legal & professional charges	130,113.00	15,990.00
Statutory audit fee	11,800.00	11,500.00
Miscellaneous Expenses	200.00	-
	162,252.00	46,686.00

## 17. INCOME TAX

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Tax expenses comprises of :</b>		
Current Income Tax	-	-

The major component of income tax expenses and the reconciliation of expected tax expenses based on the domestic effective tax rate of company and reported tax expense in statement of profit and loss are as follows :

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Accounting profit/(loss) before tax	(161,578.50)	(8,363,417.85)
Applicable tax rate	19.055%	19.055%
Computed tax expenses	-	-
<b>Current Tax Provision</b>	-	-
<b>Tax expense recognised in statement of profit and loss</b>	-	-



**18. EARNINGS PER SHARE**

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(loss) after tax (in Rupees)	(161,578.50)	(8,363,417.85)
Numerator used for calculating basic and diluted earnings per share	(161,578.50)	(8,363,417.85)
Equity shares outstanding as at the year end	10,000	10,000
Weighted average number of shares used as denominator for calculating basic & diluted earnings per share	10,000	10,000
Nominal value per share (in Rupees)	10.00	10.00
Basic & diluted earnings per share (in Rupees)	(16.16)	(836.34)

**19. CONTINGENT LIABILITIES & COMMITMENTS**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent Liabilities	NIL	NIL

**20.** Determination of revenues under 'Percentage of Completion method' necessarily involves making estimates by management for percentage of completion, cost to completion, revenues expected from projects, projected profits and losses. These estimates being of a technical nature have been relied upon by the auditors

**21.** Balances of loan/ advances given and other financial and non financial assets and liabilities are subject to reconciliation and confirmation from respective parties. The balance of said loan/ advances given and other financial and non financial assets and liabilities are taken as shown by the books of accounts. The ultimate outcome of such reconciliation and confirmation cannot presently be determined, therefore, no provision for any liability that may result out of such reconciliation and confirmation has been made in the financial statement, the financial impact of which is unascertainable due to the reasons as above stated.

**22.** The company is having accumulated losses to the tune of Rs 9088691.10 resulting full erosion of net worth of the company. The holding company is supporting the cash flows of the company and there is no plan to liquidate the company. The management is looking for good business opportunity to the company. Keeping in mind the intention and commitment of management, the accounts of the company have been prepared on going concern basis.

**23. SEGMENT REPORTING**

In line with the provisions of Ind AS 108 - Operating Segments and on the basis of review of operations being done by the management of the company, the operations of the company falls under real estate business, which is considered to be the only reportable segment by management.



**NOTE 24 : FAIR VALUE MEASURMENTS**

**(i) Financial Assets by category**

(Amount in Rupees)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
<b>Financial Assets</b>			
<b>At Amortised cost</b>			
<b>Current</b>			
Cash and Cash Equivalents	4	13,433.25	236,351.75
<b>Total Financial Assets</b>		<b>13,433.25</b>	<b>236,351.75</b>
<b>Financial Liabilities</b>			
<b>At Amortised cost</b>			
<b>Non Current Liabilities</b>			
Trade Payables	7	66,169,188.00	-
<b>Current Liabilities</b>			
Borrowings	8	3,000,125.00	3,000,125.00
Trade Payables	9	8,900,000.00	8,900,000.00
Other Financial Liabilities	10	5,836,168.00	56,049.00
<b>Total Financial Liabilities</b>		<b>83,905,481.00</b>	<b>11,956,174.00</b>

**(ii) Fair value of financial assets and liabilities measured at amortised cost**

(Amount in Rupees)

	As at March 31, 2018		As at March 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	13,433.25	13,433.25	236,351.75	236,351.75
<b>Total Financial Assets</b>	<b>13,433.25</b>	<b>13,433.25</b>	<b>236,351.75</b>	<b>236,351.75</b>
<b>Financial Liabilities</b>				
<b>Non Current Liabilities</b>				
Trade Payables	66,169,188.00	66,169,188.00	-	-
<b>Current Liabilities</b>				
Borrowings	3,000,125.00	3,000,125.00	3,000,125.00	3,000,125.00
Trade Payables	8,900,000.00	8,900,000.00	8,900,000.00	8,900,000.00
Other Financial Liabilities	5,836,168.00	5,836,168.00	56,049.00	56,049.00
<b>Total Financial Liabilities</b>	<b>83,905,481.00</b>	<b>83,905,481.00</b>	<b>11,956,174.00</b>	<b>11,956,174.00</b>

For short term financial assets and liabilities carried at amortized cost. the carrying value is reasonable approximation of fair value.



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## NOTE 25 :RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

### Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### Credit risk management

##### Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

The company provides for expected credit loss based on the following:

Credit risk	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, investment and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in the statement of profit and loss.

(Amount in Rupees)

Credit rating	Particulars	As at 31 March 2018	As at March 31, 2017
A: Low credit risk	Cash and cash equivalents	13,433.25	236,351.75

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

### Maturities of financial liabilities

The tables below analyse the financial liabilities into relevant maturity pattern based on their contractual maturities.

(Amount in Rupees)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Carrying Amount
<b>As at 31 March 2018</b>						
Short Term Borrowings	3,000,125.00	-	-	-	3,000,125.00	3,000,125.00
Trade Payables	8,900,000.00	66,169,188.00	-	-	75,069,188.00	75,069,188.00
Other Financial Liabilities	5,836,168.00	-	-	-	5,836,168.00	5,836,168.00
<b>Total</b>	<b>17,736,293.00</b>	<b>66,169,188.00</b>	-	-	<b>83,905,481.00</b>	<b>83,905,481.00</b>
<b>As at 31 March 2017</b>						
Short Term Borrowings	3,000,125.00	-	-	-	3,000,125.00	3,000,125.00
Trade Payables	8,900,000.00	-	-	-	8,900,000.00	8,900,000.00
Other Financial Liabilities	56,049.00	-	-	-	56,049.00	56,049.00
<b>Total</b>	<b>11,956,174.00</b>	-	-	-	<b>11,956,174.00</b>	<b>11,956,174.00</b>



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## Note 26 : CAPITAL MANAGEMENT POLICIES

### (a) Capital Management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Company are summarised as follows:

(Amount in Rupees)

Particulars	As at 31 March 2018	As at 31 March 2017
Short term borrowings	3,000,125.00	3,000,125.00
Less: Cash and cash equivalents	13,433.25	236,351.75
<b>Net debt</b>	<b>2,986,691.75</b>	<b>2,763,773.25</b>
Total equity	(8,988,691.10)	(8,827,112.60)
<b>Net debt to equity ratio</b>	<b>(0.33)</b>	<b>(0.31)</b>



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**27. Related Parties****A. Name of related parties**

1. Guild Builders Private Limited (ultimate holding company)
2. Omaxe Limited (holding company )
3. Mr. Parmod Kumar(Director)

**B. Summary of transactions with related parties**

(Amount in Rupees)

<b>Transactions</b>	<b>Year ended</b>	<b>Omaxe Limited</b>	<b>Mr. Parmod Kumar</b>	<b>Total</b>
Advance received	March 31,2018	<b>11,915,000.00</b>	<b>NIL</b>	<b>11,915,000.00</b>
	March 31,2017	(60,500,000.00)	(NIL)	(60,500,000.00)
Advance repaid	March 31,2018	<b>4,000,000.00</b>	<b>NIL</b>	<b>4,000,000.00</b>
	March 31,2017	(NIL)	(NIL)	(NIL)
Loan repaid	March 31,2018	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	March 31,2017	(NIL)	(10,000,000.00)	(10,000,000.00)
<b>Balance outstanding</b>	<b>As on</b>			
Amount Payable	March 31,2018	<b>89,973,208.00</b>	<b>3,000,125.00</b>	<b>92,973,333.00</b>
	March 31,2017	(82,058,208.00)	(3,000,125.00)	(85,058,333.00)

Figures in brackets represent those of the previous year.

28. The company has regrouped / reclassified previous year figures where necessary to conform with current year's classification.

The note nos. 1-28 referred to above form an integral part of financial statements.

**As per our report of even date attached**

For and on behalf of

**Doogar & Associates**

Chartered Accountants

Regn. No. 000561N



For and on behalf of the Board of Directors

Mahesh Kumar  
(Director)  
DIN: 00117415

**Parmod Kumar**

(Director)

DIN: 01484427

Place : New Delhi

Date : **01 MAY 2018**