

# DOOGAR & ASSOCIATES

Chartered Accountants

## Independent Auditor's Report

**To the Members of Panchi Developers Private Limited**

### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS Financial Statements of **Panchi Developers Private Limited** ("the Company"), and its associate(collectively referred to as "the Group")comprising of the consolidated Balance Sheet as at 31<sup>st</sup> March 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

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

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act,2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the 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. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company. as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 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 consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated 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 consolidated state of affairs of the Group as at 31 March 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### **Other Matters**

We did not audit the financial statements and other financial information in respect of one associate Company included in the statement. The Ind AS Consolidated financial results include the Group's share of net profit/(loss) of Rs.13,23,323.48 (including other comprehensive income) for the year ended March 31, 2018 as considered in the consolidated financial statements, in respect of such associate company. This financial statement is unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements as certified.

Our reports on the consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matter with respect to our reliance on financial statement as certified by the management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of



Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the 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 of the Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31<sup>st</sup> 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 group and the operating effectiveness of such controls, refer to our separate Report in "Annexure" 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its Ind AS financial statements.
  - ii) Provision has been made in the consolidated Ind AS financial statements, 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 Investor Education and Protection Fund by the Company and its Associate Company incorporated in India.

**For Doogar & Associates**

Chartered Accountants

Firm's Registration No: 000561N



**Vikas Modi**

Partner

Membership No: 505603

Place of Signature: New Delhi

Date: 01 May 2018

**Annexure to the Independent Auditors' Report - 31 March 2018 on the Consolidated Ind AS Financial Statements (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")**

In conjunction with our audit of the consolidated Ind AS Financial Statements of **Panchi Developers Private Limited** ("the Company") as of and for the year ended 31<sup>st</sup> March 2018, we have audited the internal financial controls over financial reporting of the Company, and its associate company which is a company incorporated in India as of that date.

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

The respective Board of Directors of the company, and its associate company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the company considering the essential components of internal controls 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's 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") issued by the ICAI 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 judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls 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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



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

### **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 Group has, in all material respects, an adequate internal financial controls system over financial reporting but requires more strengthening and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Group consisting 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.

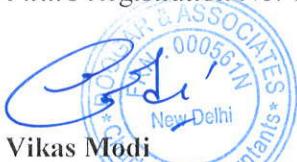
### **Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to financial statements of I associate company, which is a company incorporated in India, is based on the financial statements as certified by the Management

### **For Doogar & Associates**

Chartered Accountants

Firm's Registration No: 000561N



Vikas Modi

Partner

Membership No: 505603

Place of Signature: New Delhi

Date: 01 May ,2018

# Panchi Developers Private Limited

Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
Corporate Identity Number :U45400DL2008PTC179474

## Consolidated Balance Sheet as at March 31, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-Current assets</b>			
a) Financial Assets	1	<b>3,607,220.29</b>	2,283,896.81
i) Investments	2	1,513.00	1,542.00
b) Deferred Tax Assets (Net)			
<b>Current assets</b>			
a) Financial Assets	3	<b>3,608,733.29</b>	2,285,438.81
i) Cash and Cash Equivalents			
<b>TOTAL ASSETS</b>		<b>4,012,780.99</b>	2,703,306.81
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	4	<b>500,000.00</b>	500,000.00
b) Other Equity		<b>3,496,251.99</b>	2,172,624.81
<b>Liabilities</b>			
<b>Current Liabilities</b>			
a) Financial Liabilities	5	<b>16,450.00</b>	30,546.00
i) Other Financial Liabilities	6	79.00	136.00
b) Current tax liabilities (net)			
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,012,780.99</b>	2,703,306.81
Significant accounting policies	A		

The note nos. 1-20 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 \* New Delhi

M.No. 505603

Place : New Delhi

Date : 1 May 2018

For and on behalf of the Board of Directors

  
**Manish Kumar**

(Director)

DIN: 00117415



**Praveen Kumar Goel**

(Director)

DIN: 00096682

# Panchi Developers Private Limited

Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
Corporate Identity Number :U45400DL2008PTC179474

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

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017	(Amount in Rupees)
<b>REVENUE</b>				
Other income		<b>48,200.00</b>	37,200.00	
<b>TOTAL INCOME</b>		<b>48,200.00</b>	37,200.00	
<b>EXPENSES</b>				
Finance cost	7	8,183.30	-	
Other Expenses	8	39,601.00	36,486.00	
<b>TOTAL EXPENSES</b>		<b>47,784.30</b>	36,486.00	
<b>Profit Before Tax</b>				
Tax expense	9	415.70	714.00	
		112.00	216.00	
Share of Profit/(loss) in Associates		1,400,540.50	(1,847,905.71)	
<b>Profit for the year</b>		<b>1,400,844.20</b>	(1,847,407.71)	
<b>Other comprehensive Income</b>				
Items that will not be reclassified to statement of Profit and Loss				
Share of other comprehensive Income in Associates(net of tax)		(77,217.02)	15,027.83	
<b>Total other comprehensive Income</b>		<b>(77,217.02)</b>	15,027.83	
<b>Total comprehensive Income for the year</b>		<b>1,323,627.18</b>	(1,832,379.88)	
Earnings per equity share (in Rupees):				
Basic & diluted (Face value of Rs. 10 each)	10	28.02	(36.95)	
Significant accounting policies	A			

The note nos. 1-20 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, New Delhi  
M.No. 505603

Place : New Delhi  
Date : 1 May 2018

For and on behalf of the Board of Directors

Manish Kumar  
(Director)  
DIN: 00117415

Praveen Kumar Goel  
(Director)  
DIN: 00096682

**Panchi Developers Private Limited**

Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
Corporate Identity Number :U45400DL2008PTC179474

**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>	50,000	500,000.00
Changes in equity share capital during 2016-17	-	-
<b>Balance as at 31 March 2017</b>	<b>50,000</b>	<b>500,000.00</b>
<b>Balance as at 1 April 2017</b>	50,000	500,000.00
Changes in equity share capital during 2017-18	-	-
<b>Balance as at 31 March 2018</b>	<b>50,000</b>	<b>500,000.00</b>

**B. Other Equity**

(Amount in Rupees)

Description	Attributable to owners of Panchi Developers Private Limited		
	Retained Earnings	Other comprehensive Income	Total Other Equity
<b>Balance as at 1 April 2016</b>	4,008,638.24	(3,633.55)	4,005,004.69
Profit/(loss) for the year	(1,847,407.71)	-	(1,847,407.71)
Other Comprehensive Income	-	15,027.83	15,027.83
<b>Balance as at 31 March 2017</b>	<b>2,161,230.53</b>	<b>11,394.28</b>	<b>2,172,624.81</b>
<b>Balance as at 1 April 2017</b>	<b>2,161,230.53</b>	<b>11,394.28</b>	<b>2,172,624.81</b>
Profit for the year	1,400,844.20	-	1,400,844.20
Other Comprehensive Income	-	(77,217.02)	(77,217.02)
<b>Balance as at 31 March 2018</b>	<b>3,562,074.73</b>	<b>(65,822.74)</b>	<b>3,496,251.99</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 New Delhi

M. No.505603

Place: New Delhi

Date : 1 May 2018

For and on behalf of board of directors

**Praveen Kumar Goel**

(Director)

DIN: 00096682

**Manish Kumar**

(Director)

DIN: 00117415

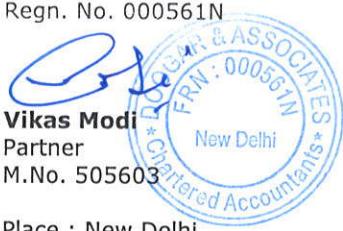
**Panchi Developers Private Limited**  
 Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
 Corporate Identity Number :U45400DL2008PTC179474

**Consolidated cash Flow Statement for the year ended March 31, 2018**

Particulars	(Amount in Rupees)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	415.70	714.00
Adjustment for Bank Charges	8,183.30	-
<b>Operating profit before working capital changes</b>	8,599.00	714.00
<b>Adjustments for working capital</b>		
Current Other Financial liabilities	(14,096.00)	19,096.00
	(14,096.00)	19,096.00
<b>Cash (used in)/generated from operating activities</b>		
Direct taxes paid	(5,497.00) (140.00)	19,810.00 (130.00)
<b>Net cash (used in) / generated from operating activities</b>	(5,637.00)	19,680.00
<b>B. Cash flow from investing activities</b>		
<b>C. Cash flow from financing activities</b>		
Bank Charge Paid	(8,183.30)	-
<b>Net cash (used in) / generated from financing activities</b>	(8,183.30)	-
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	(13,820.30)	19,680.00
<b>Opening balance of cash and cash equivalents</b>	417,868.00	398,188.00
<b>Closing balance of cash and cash equivalents (refer note no.3)</b>	404,047.70	417,868.00

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 : 1 May 2018

For and on behalf of the Board of Directors

Mamish Kumar  
 (Director)  
 DIN: 00117415

Praveen Kumar Goel  
 (Director)  
 DIN: 00096682

## **Panchi Developers Private Limited**

Regd. Office: 10, Local Shopping Centre, Kalkaji, New Delhi-110019  
Corporate Identity Number :U45400DL2008PTC179474

### **A. Significant accounting policies**

#### **1. Corporate information**

Panchi Developers 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) Basis of Consolidation**

The consolidated financial statements relate to Panchi Developers Private Limited ('the Company') and its associate. The consolidated financial statements have been prepared on the following basis:

(a) Where the cost of the investment is higher/lower than the share of equity in the Associates at the time of acquisition the resulting difference is disclosed as goodwill/capital reserve in the Investment schedule.

(b) Investment in Associates has been accounted under the equity method as per Ind AS 28- Investment in Associates and Joint Ventures.

(c) The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the company and its associates to the extent of its share, through its consolidated statement of profit and loss, to the extent such change is attributable to the associates' statement of profit and loss and through its reserves for the balance based on available information.

##### **iii) 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.

##### **iv) Inventories**

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

##### **v) 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.

##### **vi) 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 15 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.

**vii) 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.

**viii) Earnings per share**

Basic earnings per share are calculated by dividing the Net Profit 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 Net Profit 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.

**ix) 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.

**x) Cash and Cash Equivalents**

Cash and Cash equivalents in the balance sheet comprises cash at bank and cash on hand, demand deposits and short term deposits which are subject to an insignificant change in value.

The amendment to Ind AS-7 requires entities to provide disclosure of change in the liabilities arising from financing activities, including both changes arising from cash flows and non cash changes (such as foreign exchange gain or loss). The Company has provided information for both current and comparative period in cash flow statement.

**xi) 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.

**(c) Classification of assets and liabilities into current and non-current**

The Management classifies assets and liabilities into current and non-current categories based on its operating cycle.



**1. NON-CURRENT INVESTMENTS**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unquoted,at cost, fully Paid up</b>		
<b>Investments in equity instruments</b>		
11,500(11,500) Equity shares of Pancham Realcon Private Limited of Rs. 10 each		
Original cost of Investment	<b>115,000.00</b>	115,000.00
Add: Share of Profit/(loss) of Associate	<b>3,492,220.29</b>	2,168,896.81
(Includes Goodwill Rs 2,028.00 (P.Y Rs 2,028.00) arising On Acquisition Of Associates)		
	<b>3,607,220.29</b>	2,283,896.81

Figures in brackets represent those of the previous year.

**2. DEFERRED TAX ASSETS (NET)**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Mat Credit Entitlement	<b>1,513.00</b>	1,542.00
	<b>1,513.00</b>	1,542.00

**3. CASH AND CASH EQUIVALENTS**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance with Banks		-
-In Current Accounts	<b>30,316.70</b>	-
Cash on hand	<b>373,731.00</b>	417,868.00
	<b>404,047.70</b>	417,868.00

**4. EQUITY SHARE CAPITAL**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorised</b>		
50,000 (50,000) Equity Shares of Rs.10 each	<b>500,000.00</b>	500,000.00
	<b>500,000.00</b>	500,000.00
<b>Issued, subscribed &amp; paid up</b>		
50,000 (50,000) Equity Shares of Rs.10 each fully paid up	<b>500,000.00</b>	500,000.00
	<b>500,000.00</b>	500,000.00

Figures in brackets represent those of the previous year.

**4.1 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>50,000</b>	<b>500,000.00</b>	50,000	500,000.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>50,000</b>	<b>500,000.00</b>	50,000	500,000.00



#### 4.2 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.

#### 4.3 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
Holding Company Omaxe Limited	50,000	500,000.00	50,000	500,000.00
	50,000	500,000.00	50,000	500,000.00

#### 4.4 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
Holding Company Omaxe Limited	50,000	100.00	50,000	100.00

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.

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

4.6 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 the date of its incorporation.

#### 5. 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	4,650.00	19,046.00
	16,450.00	30,546.00

#### 6. CURRENT TAX LIABILITIES (NET)

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Current tax liability	79.00	136.00
	79.00	136.00



**7. FINANCE COST**

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Bank Charges	8,183.30	-
	8,183.30	-

**8. 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	17,938.00	17,596.00
Rates and taxes	4,000.00	2,400.00
Legal & professional charges	5,863.00	4,990.00
Statutory audit fee	11,800.00	11,500.00
	39,601.00	36,486.00

**9. 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	108.00	212.00
Earlier years tax adjustment	4.00	4.00
	112.00	216.00

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 :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Accounting Profit before tax	415.70	714.00
Applicable tax rate	25.75%	29.87%
Computed tax expenses	108.00	212.00
<b>Current Tax Provisions(A)</b>	108.00	212.00
<b>Adjustments recognised in current year in relation to current tax of prior years (B)</b>	4.00	4.00
<b>Tax expense recognised in statement of profit and loss (A+B)</b>	112.00	216.00

**10. 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)	1,400,844.20	(1,847,407.71)
Numerator used for calculating basic and diluted earnings per share	1,400,844.20	(1,847,407.71)
Equity shares outstanding as at the year end	50,000	50,000.00
Weighted average number of shares used as denominator for calculating basic & diluted earnings per share	50,000	50,000.00
Nominal value per share (in Rupees)	10.00	10.00
Basic & diluted earnings per share (in Rupees)	28.02	(36.95)

**11. CONTINGENT LIABILITIES & COMMITMENTS**

(Amount in Rupees)

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

12. The Balance of financial assets and financial liabilities are taken as shown by books of accounts.

**13. 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 14 : FAIR VALUE MEASURMENTS**

(i) Financial Assets by category

Particulars	Note	(Amount in Rupees)	
		As at March 31, 2018	As at March 31, 2017
Financial Assets			
At Amortised cost			
Current			
Cash and Cash Equivalents	3	404,047.70	417,868.00
Total Financial Assets		<b>404,047.70</b>	<b>417,868.00</b>
Financial Liabilities			
At Amortised cost			
Current			
Other Financial Liabilities	5	16,450.00	30,546.00
Total Financial Liabilities		<b>16,450.00</b>	<b>30,546.00</b>

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

	As at March 31, 2018		As at March 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Current Assets				
Cash and Cash Equivalents	404,047.70	404,047.70	417,868.00	417,868.00
Total Financial Assets	<b>404,047.70</b>	<b>404,047.70</b>	<b>417,868.00</b>	<b>417,868.00</b>
Financial Liabilities				
Current Liabilities				
Other Financial Liabilities	16,450.00	16,450.00	30,546.00	30,546.00
Total Financial Liabilities	<b>16,450.00</b>	<b>16,450.00</b>	<b>30,546.00</b>	<b>30,546.00</b>

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



## **NOTE 15 :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:

<b>Credit risk</b>	<b>Basis of categorisation</b>	<b>Provision for expected credit loss</b>
Low credit risk	Cash and cash equivalents, other bank balances and Investments	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.

<b>Credit rating</b>	<b>Particulars</b>	<b>(Amount in Rupees)</b>	
		<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
A: Low credit risk	Cash and cash equivalents and Investments	4,011,267.99	2,701,764.81

### **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.

<b>Particulars</b>	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	<b>Total</b>	<b>(Amount in Rupees)</b>
						<b>Carrying Amount</b>
<b>As at 31 March 2018</b>						
Other Financial Liabilities	16,450.00	-	-	-	16,450.00	16,450.00
<b>Total</b>	<b>16,450.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,450.00</b>	<b>16,450.00</b>
<b>As at 31 March 2017</b>						
Other Financial Liabilities	30,546.00	-	-	-	30,546.00	30,546.00
<b>Total</b>	<b>30,546.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,546.00</b>	<b>30,546.00</b>

## **Note 16 : CAPITAL MANAGEMENT POLICIES**

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.



*[Handwritten signatures]*

**19. RELATED PARTIES DISCLOSURES****A. Name of related parties**

1. Guild Builders Private Limited (Ultimate Holding company)
2. Omaxe Limited (Holding company )
3. Pancham Realcon Private Limited (Associate company )

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

Transaction	Year ended	Pancham Realcon Private Limited	Total
Balance Outstanding	As on		
Investment	March 31,2018	<b>115,000.00</b>	<b>115,000.00</b>
	March 31,2017	(115,000.00)	(115,000.00)

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

The note nos. 1-20 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



Vikas Modi

Partner

M.No. 505603

For and on behalf of the Board of Directors

  
**Mahish Kumar**

(Director)

DIN: 00117415



**Praveen Kumar Goel**

(Director)

DIN: 00096682

Place : New Delhi

Date : 1 May 2018

Statement pursuant to section 129(3) of companies Act, 2013 related to Associates company

(Amount in Rupees)



*[Signature]*

