

SPAZE TOWERS PVT LTD
Cash Flow Statement for the year ended March 31, 2017

PARTICULARS	For the year ended 31.03.2017	For the year ended 31.03.2016
	Rs.	Rs.
A. Cash Flow From Operating Activity		
Net Profit before Tax, Appropriation, and Extra-Ordinary Items	4,01,79,223	4,27,39,215
Adjustment for Non Cash and Non Operating Items		
Add:		
Depreciation	4,24,60,303	5,41,17,302
Interest and Financial Charges	98,35,911	91,82,535
Less:		
Income from Mutual Fund	6,66,043	-
Interest Income	95,88,194	72,38,578
Profit on sale of Fixed Asset	25,37,356	16,506
Operating Profit before Working Capital Changes	7,96,83,844	9,87,83,968
Add: Exceptional Items (Earlier Years)	31,35,05,022	-
Add: Decrease/(Increase) in current assets and Increase/(Decrease) in current liabilities		
Trade Recivables and Other Assets	6,66,50,861	(1,49,28,710)
Inventories	(23,56,97,719)	(5,36,44,253)
Trade Payables and Other Current Liabilities	10,55,99,482	47,60,321
Provision for gratuity	(13,701)	(1,28,215)
Cash generated from operation	32,97,27,789	3,48,43,111
Less: Taxes Paid during the year	32,16,84,626	1,74,73,810
Net Cash From Operating Activity (A)	80,43,163	1,73,69,301
B. Cash Flow From Investing Activity		
Add:		
Sale of Fixed Asset	1,46,79,208	12,30,000
Sale of Investment	-	-
Income from Mutual Fund	6,66,043	-
Interest Received	95,88,194	72,38,578
Less:		
Purchase of Investment	8,01,66,043	-
Purchase of Fixed Asset	7,45,137	87,88,497
Net Cash Flow From Investing Activity (B)	(5,59,77,735)	(3,19,919)
C. Cash Flow From Financing Activity		
Add:		
Proceeds from Unsecured Loans	49,30,00,000	16,98,00,000
Proceeds from secured Loans	15,00,00,000	12,08,69,000
Less:		
Repayment of Unsecured Loans	20,00,50,000	6,07,50,000
Repayment of Secured Loans	35,14,04,178	25,56,37,102
Interest and Finance Charges	49,79,373	91,82,535
Net Cash Flow From Financing Activity (C)	8,65,66,449	(3,49,00,637)
Net Increase in cash and cash equivalents (A+B+C)	3,86,31,877	(1,78,51,255)
Add: Cash and cash equivalents at the beginning of the year	1,77,84,594	3,56,35,849
Cash and cash equivalents at the end of the year	5,64,16,471	1,77,84,594

As per our Report of even date
For SURESH C. GUPTA & ASSOCIATES
Firm Registration No: 004886N
Chartered Accountants

For and on behalf of the Board of Directors

Puneet Satija
Partner
Membership No: 536943

Aman Sharma
(Director)
(DIN: 00381637)

Bharat Bhushan Kumar
(Director)
(DIN: 00064687)

Harpal Singh Chawla
(Director)
(DIN: 00516241)

Place: New Delhi
Date: 31st August 2017

Gagan Mahajan
(Company Secretary)
(Membership No. A34028)

SPAZE TOWERS PVT LTD
BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Notes	AS AT 31.03.2017	AS AT 31.03.2016
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Funds</u>			
Share Capital	2	19,80,00,000	19,80,00,000
Reserves & Surplus	3	37,07,33,519	33,55,96,842
<u>Non-current Liabilities</u>			
Long Term Borrowings	4	79,83,51,975	70,19,49,615
Long Term Provisions	5	42,90,948	42,51,421
<u>Current Liabilities</u>			
Trade Payables	6	36,64,35,741	27,84,31,055
Other Current Liabilities	7	3,54,47,98,216	3,52,72,03,419
Short-term Provisions	8	1,82,358	2,35,586
TOTAL		<u>5,28,27,92,757</u>	<u>5,04,56,67,938</u>
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Fixed Assets	9		
Tangible Assets		22,17,06,297	27,55,78,961
Intangible Assets		4,81,283	4,65,637
		<u>22,21,87,580</u>	<u>27,60,44,598</u>
Non-Current Investments	10	22,12,09,232	14,58,43,750
Deferred tax assets (net)	11	2,49,02,661	2,17,65,602
Long Term Loans & Advances	12	2,49,74,788	2,44,59,608
<u>Current Assets</u>			
Current Investments	13	8,01,66,043	-
Inventories	14	3,73,93,86,529	3,57,90,54,292
Trade Receivables	15	51,41,41,925	54,49,63,690
Cash and Bank Balances	16	22,34,90,708	10,71,63,562
Short Term Loans & Advances	17	23,23,33,291	34,63,72,836
TOTAL		<u>5,28,27,92,757</u>	<u>5,04,56,67,938</u>
SIGNIFICANT ACCOUNTING	1		

The Notes form an integral part of these financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For SURESH C. GUPTA & ASSOCIATES

Firm Registration No: 004886N

Chartered Accountants

Aman Sharma
(Director)

Bharat Bhushan Kumar
(Director)

Harpal Singh Chawla
(Director)

Puneet Satija

(DIN: 00381637)

(DIN: 00064687)

(DIN: 00516241)

Partner

Membership No: 536943

Gagan Mahajan

(Company Secretary)

(Membership No. A34028)

Place: New Delhi

Date: 31st August 2017

SPACE TOWERS PVT LTD
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
		Rs.	Rs.
<u>Income</u>			
Revenue from Operations	18	1,51,84,10,823	1,78,22,46,419
Other Income	19	2,65,89,381	2,28,67,210
Total Revenue		1,54,50,00,204	1,80,51,13,629
<u>Expenses</u>			
Project Expenses	20	1,56,51,40,599	1,59,01,55,220
Changes in Inventories	21	(23,56,97,719)	(5,36,44,253)
Employee Benefits Expense	22	7,45,18,800	8,64,03,281
Finance Costs	23	98,35,911	91,82,535
Depreciation and Amortization Expense	24	4,24,60,303	5,41,17,302
Other Expenses	25	4,85,63,087	7,61,60,329
Total Expenses		1,50,48,20,981	1,76,23,74,414
Profit/ (Loss) before tax		4,01,79,223	4,27,39,215
Tax Expense :			
i)Current Tax		2,27,46,496	1,74,73,810
ii)Deferred Tax		(31,37,058)	(37,91,070)
Profit/ (Loss) for the Year		2,05,69,785	2,90,56,475

Earning Per Equity Share
(On Shares of nominal value of Rs 10/- each)

Basic	1.04	1.47
Diluted	1.04	1.47

SIGNIFICANT ACCOUNTING POLICIES

1

The Notes form an integral part of these financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For SURESH C. GUPTA & ASSOCIATES

Firm Registration No: 004886N

Chartered Accountants

Aman Sharma
(Director)
(DIN: 00381637)

Bharat Bhushan Kumar
(Director)
(DIN: 00064687)

Harpal Singh Chawla
(Director)
(DIN: 00516241)

Puneet Satija

Partner

Membership No: 536943

Place: New Delhi

Date: 31st August 2017

Gagan Mahajan

(Company Secretary)

(Membership No. A34028)

**Notes annexed to and forming part of Balance Sheet as at 31st March, 2017
and Statement of Profit & Loss for the year ended on that date**

<u>PARTICULARS</u>		AS AT 31.03.2017 Rs.	AS AT 31.03.2016 Rs.
NOTE 2	<u>SHARE CAPITAL</u>		
	<u>Authorised :</u>		
	2,50,00,000 (Previous year 2,50,00,000) Equity Shares of Rs. 10/- each	25,00,00,000	25,00,00,000
	<u>Issued, Subscribed and Paid up :</u>		
	1,98,00,000 (Previous year 1,98,00,000) Equity Shares of Rs.10/- each fully paid up.	19,80,00,000 19,80,00,000	19,80,00,000 19,80,00,000
a)	Reconciliation of the number of shares outstanding is as follows :		
	Equity Shares	<u>No of Shares</u>	<u>No of Shares</u>
	At the beginning of the year	1,98,00,000	1,98,00,000
	At the end of the year	1,98,00,000	1,98,00,000
b)	Details of shareholders holding more than 5% of the Equity Shares in the company:		
	<u>Particulars</u>	<u>As At 31.03.2017</u>	<u>As At 31.03.2016</u>
	<u>Name of Shareholder</u>	<u>No. of Share</u> <u>% holding</u>	<u>No. of Shares</u> <u>% holding</u>
	Jaspal Singh Chawla	16,50,000 8.33	16,50,000 8.33
	Harpal Singh Chawla	16,50,000 8.33	16,50,000 8.33
	Surinder Pal Singh Chawla	16,50,000 8.33	16,50,000 8.33
	Jasbir Kaur Chawla	16,50,000 8.33	16,50,000 8.33
	Marudhara (India) Pvt. Ltd.	66,00,000 33.34	66,00,000 33.34
	V. Kumar Estates LLP (Formerly V. Kumar Estates Pvt. Ltd.)	66,00,000 33.34	66,00,000 33.34
c)	Terms/rights attached to Equity Shares		
	The company has only one class of Equity Share having par value of Rs 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
d)	1,88,10,000 Equity Shares were allotted as fully paid up by way of Bonus Shares in the last 5 years.		

NOTE 3 <u>RESERVES & SURPLUS</u>		<u>As At 31.03.2017</u>	<u>As At 31.03.2016</u>
General Reserve			
Opening Balance		40,00,000	40,00,000
Closing Balance		40,00,000	40,00,000
Surplus/ (Deficit) as per Statement of Profit & Loss			
Opening Balance		33,15,96,842	29,53,91,123
Add: Profit/ (Loss) during the year		2,05,69,785	2,90,56,475
Add: Exceptional Items (Earlier Years)	31,35,05,022		-
Less: Income Tax Paid thereon	<u>29,89,38,130</u>	1,45,66,892	-
Less: Appropriations			
Proposed Dividend		-	(59,40,000)
Tax on Proposed Dividend		-	(12,09,244)
(B)		<u>36,67,33,519</u>	<u>33,15,96,842</u>
(A)+(B)		<u>37,07,33,519</u>	<u>33,55,96,842</u>

<u>PARTICULARS</u>		AS AT 31.03.2017 Rs.	AS AT 31.03.2016 Rs.
NOTE 4	<u>LONG -TERM BORROWINGS</u>		
	<u>SECURED LOANS</u>		
	<u>Vehicle Loan- From Banks:</u>		
	ICICI Bank Limited	33,35,584	73,14,559
	Axis Bank Limited	-	85,22,933
	HDFC Bank Limited	99,66,989	1,57,93,572
	Total	1,33,02,573	3,16,31,064
	<u>Construction Loan</u>		
	ICICI Bank Limited	18,90,80,711	18,10,00,000
	<u>Others</u>		
	Aditya Birla Finance Ltd	8,73,12,153	27,84,68,551
	Total	27,63,92,864	45,94,68,551
	Total-Secured Loans	28,96,95,437	49,10,99,615
	<u>UNSECURED LOANS</u>		
	From Directors	16,79,56,538	-
	From Related Parties	34,07,00,000	21,08,50,000
	Total	50,86,56,538	21,08,50,000
	Total	79,83,51,975	70,19,49,615
4.1	<u>Term of Repayment :</u>		
	a Vehicle loans are repayable in 36 -60 equal monthly instalments as per the respective repayment schedules, rate of Interest 8%-13% p.a.		
	b Construction Loan from ICICI Bank is payable in installements commencing from January, 2016 to December, 2017		
	c Loan from Aditya Birla Finance Limited is payable in 144 monthly installements commencing from date of borrowing		
	d Unsecured Loans are repayable on demand after expiry of 3 years and carry interest @ 8%-12% p.a., wherever applicable.		
4.2	Vehicle loans are secured by hypothecation of vehicles financed by them.		
4.3	Construction Loan from ICICI Bank is secured by equitable mortgage of two projects of the company and hypothecation of its receivables and by personal guarantees of directors of the company.		
4.4	Loan from Aditya Birla Finance Limited is secured by equitable mortgage of immovable properties owned by directors and relatives and their respective personal guarantees.		
NOTE 5	<u>LONG TERM PROVISIONS</u>		
	Provision for Gratuity	42,90,948	42,51,421
		42,90,948	42,51,421
NOTE 6	<u>TRADE PAYABLES</u>		
	Micro, Small and Medium Enterprises	-	-
	Others		
	- From Related Party	8,29,50,871	9,75,22,588
	- From Others	28,34,84,870	18,09,08,468
		36,64,35,741	27,84,31,055
NOTE 7	<u>OTHER CURRENT LIABILITIES</u>		
	Current maturities of long-term borrowings	21,58,74,631	22,97,71,106
	Security deposits and Retention Money	44,01,23,223	45,27,11,812
	Book Overdraft with Banks	1,44,10,366	1,30,31,933
	Overdraft Facility with Bank - ICICI Bank Limited *	3,49,23,444	4,13,02,811
	Overdraft Facility with Bank - ANDHRA Bank Limited *	5,73,91,467	-
	Booking and Project Advance	2,76,06,19,084	2,74,49,76,602
	Duties & Taxes	17,81,431	2,75,26,030
	Expenses Payable	1,96,74,570	1,78,83,125
		3,54,47,98,216	3,52,72,03,419
	* Overdraft facility from ICICI Bank is secured by equitable mortgage of two projects of the company and hypothecation of its receivables and by personal guarantees of directors of the company.		
NOTE 8	<u>SHORT-TERM PROVISIONS</u>		
	(a) Provision for employee benefits - Provision for Gratuity	1,82,358	2,35,586
		1,82,358	2,35,586

	<u>PARTICULARS</u>			AS AT	AS AT
				31.03.2017	31.03.2016
				Rs.	Rs.
NOTE 10	<u>NON-CURRENT INVESTMENTS (At Cost)</u>				
	<u>Trade Investments (Unquoted)</u>	<u>Face Value</u>	<u>No of shares</u>		<u>No of shares</u>
	<u>In Equity Shares</u>				
	<u>Subsidiary Companies</u>				
	Raj Realtech Pvt Ltd.	10	10,000	17,50,000	17,50,000
	Wellworth Housing Pvt Ltd.	10	10,000	30,00,000	30,00,000
	<u>Others</u>				
	Nikiyog Buildwell Pvt Ltd.	10	14,53,125	14,10,93,750	14,10,93,750
	<u>In Immovable Properties</u>				
	Units at Spazedge			1,06,81,088	-
	Units at Spaze Itech Park			65,47,941	-
	Units at Spaze Platinum Towers			5,81,36,453	-
				<u>22,12,09,232</u>	<u>14,58,43,750</u>
NOTE 11	<u>DEFERRED TAX ASSETS</u>				
	Deferred Tax Assets on account of:				
	- Depreciation			2,27,91,627	1,93,70,736
	- Employee Benefits			21,11,034	23,94,866
				<u>2,49,02,661</u>	<u>2,17,65,602</u>
NOTE 12	<u>LONG TERM LOANS AND ADVANCES</u>				
	Loan to Subsidiary Companies			1,30,50,000	1,30,00,000
	Security Deposit			1,19,24,788	1,14,59,608
				<u>2,49,74,788</u>	<u>2,44,59,608</u>
NOTE 13	<u>CURRENT INVESTMENTS</u>	<u>Face Value</u>	<u>No of Units</u>		
	<u>In Mutual Funds</u>				
	Reliance Liquid Fund Treasury Plan Dir Growth	10	20,582.669	8,01,66,043	-
				<u>8,01,66,043</u>	<u>-</u>
	Repurchase value			8,16,58,810	-
NOTE 14	<u>INVENTORIES</u>				
	(as taken, valued and certified by the management)				
	Work-in-Progress			3,73,93,86,529	3,57,90,54,292
				<u>3,73,93,86,529</u>	<u>3,57,90,54,292</u>
NOTE 15	<u>TRADE RECEIVABLES</u>				
	(Unsecured, Considered Good)				
	Due for more than six months -To others			-	-
	Other Debts			51,41,41,925	54,49,63,690
				<u>51,41,41,925</u>	<u>54,49,63,690</u>
NOTE 16	<u>CASH AND BANK BALANCES</u>				
	<u>Cash and Cash Equivalents</u>				
	Balances with Scheduled Banks :				
	In Current Account			5,16,01,846	1,52,64,276
	Cash on hand			48,14,625	25,20,318
	<u>Other Bank Balances</u>				
	In Fixed Deposit Account*(including interest accrued thereon)			16,70,74,237	8,93,78,968
	(Deposits held as margin money)			<u>22,34,90,708</u>	<u>10,71,63,562</u>
	* Includes Fixed Deposits maturing after 12 months			12,41,73,114	7,36,06,765
NOTE 17	<u>SHORT TERM LOANS AND ADVANCES</u>				
	(Unsecured, considered good)				
	Advance Paid For Project			2,20,00,000	2,30,00,000
	Related Party			4,00,61,571	3,99,61,571
	Mobilization Advance			2,75,21,736	2,31,35,444
	Other Advances			8,95,03,538	10,05,64,965
	Taxation advance			73,54,505	8,63,07,103
	Security Deposit			4,58,91,941	7,34,03,753
				<u>23,23,33,291</u>	<u>34,63,72,836</u>

<u>PARTICULARS</u>		For the Year ended 31.03.2017	For the Year ended 31.03.2016
		Rs.	Rs.
NOTE 18	<u>REVENUE FROM OPERATIONS</u>		
	From Real Estate Activities	1,51,84,10,823	1,78,22,46,419
		<u>1,51,84,10,823</u>	<u>1,78,22,46,419</u>
NOTE 19	<u>OTHER INCOME</u>		
	Interest Received	95,88,194	72,38,578
	Income from Mutual Fund	6,66,043	-
	Liabilities Written Back	22,04,075	12,50,000
	Rent	1,15,93,713	1,43,62,126
	Profit on sale of Fixed Asset	25,37,356	16,506
		<u>2,65,89,381</u>	<u>2,28,67,210</u>
NOTE 20	<u>PROJECT EXPENSES</u>		
	Land Development & Project Cost	80,74,06,668	86,85,29,937
	Salary and Wages	1,76,96,733	2,47,27,412
	Licence and Related Expenses	1,56,90,621	2,85,42,600
	Interest and Financial Charges	68,77,19,396	62,51,14,571
	Brokerage	1,76,73,894	1,83,15,798
	Other Project Expenses	1,89,53,288	2,49,24,902
		<u>1,56,51,40,599</u>	<u>1,59,01,55,220</u>
NOTE 21	<u>CHANGE IN INVENTORIES</u>		
	Opening Work In Progress	3,57,90,54,292	
	Less: Transfer to investment	<u>7,53,65,482</u>	
		3,50,36,88,810	3,52,54,10,039
	Less: Closing Work In Progress	3,73,93,86,529	3,57,90,54,292
		<u>(23,56,97,719)</u>	<u>(5,36,44,253)</u>
NOTE 22	<u>EMPLOYEE BENEFITS EXPENSE</u>		
	Salary , Wages and other Payments	6,35,56,425	6,29,11,214
	Director's Remuneration	72,00,000	1,91,39,960
	Contribution to Provident and other funds	16,81,309	19,17,651
	Workmen and Staff Welfare Expenses	20,81,066	24,34,456
		<u>7,45,18,800</u>	<u>8,64,03,281</u>
NOTE 23	<u>FINANCE COSTS</u>		
	Interest on Borrowings	98,35,911	91,82,535
		<u>98,35,911</u>	<u>91,82,535</u>
NOTE 24	<u>DEPRECIATION AND AMORTIZATION EXPENSE</u>		
	Depreciation on Tangible Assets	4,22,87,390	5,39,22,989
	Amortization of Intangible Assets	1,72,913	1,94,313
		<u>4,24,60,303</u>	<u>5,41,17,302</u>
NOTE 25	<u>OTHER EXPENSES</u>		
	Rates & Taxes	52,37,786	17,81,138
	Repairs and Maintenance -Building	3,02,238	2,14,943
	Repairs and Maintenance -others	43,18,365	84,95,896
	Insurance	29,07,750	31,51,388
	Legal & Professional Charges	59,65,225	31,73,770
	Advertisement Expenses	2,49,389	98,420
	Sales Promotion Expenses	9,61,689	38,81,940
	Telephone & Communication Expenses	23,68,634	25,55,648
	Travelling expenses	8,68,849	2,27,33,220
	Conveyance	69,82,113	94,07,122
	General Expenses	80,03,598	96,45,377
	Prior Period Items - Net	28,316	13,000
	Bank Charges	1,00,19,135	1,06,58,467
	Payment to Auditors	3,50,000	3,50,000
		<u>4,85,63,087</u>	<u>7,61,60,329</u>

**Notes annexed to and forming part of Balance Sheet as at 31st March, 2017
and Statement of Profit & Loss for the year ended on that date**

<u>PARTICULARS</u>	<u>As At 31.03.2017</u>	<u>As At 31.03.2016</u>
	<u>Rs.</u>	<u>Rs.</u>
NOTE 26 <u>CONTINGENT LIABILITIES</u>		
(a) Bank Guarantees	34,71,12,445	30,86,86,595
(b) Income Tax demands under appeal	-	2,13,63,756
(c) VAT demands under appeal	-	27,75,56,480
 NOTE 27 Three Cars amounting to Rs. 25,20,691/- (Previous Year 25,20,691/-) at written down value are registered in the individual names of the Company's Directors whereas the ownership belongs to the company. As per Management, registration of these cars in the name of company is under process.		
 NOTE 28 As per information available to the Management, neither any amount is due nor is any claim outstanding by the Company to any small scale and ancillary industrial undertaking provided in the "Small Scale and Ancillary, Industrial Undertaking Act, 1992". Hence the information required is not furnished.		
 NOTE 29 The disclosure required under Accounting Standard -15, Employees Benefit, notified in the Companies (Accounting Standard) Rules, 2006 are given below:		
<u>PARTICULARS</u>	<u>As At 31.03.2017</u>	<u>As At 31.03.2016</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>Defined Contribution Plan</u>		
Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:		
Employer's Contribution to Provident & other Fund	16,81,309	19,17,651
 <u>Defined Benefit Plan</u>		
The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
a) Reconciliation of opening and closing balances of Defined Benefit obligation		
<u>Gratuity (Unfunded)</u>		
Defined Benefit obligation at beginning of the year	44,87,007	46,15,222
Adjustment on Amalgamation		
Current Service Cost	12,39,693	12,06,579
Interest Cost	3,58,961	3,57,680
Actuarial (gain)/loss	(2,70,846)	(2,50,832)
Benefits (paid)	(13,41,509)	(14,41,642)
Defined Benefit obligation at year end	44,73,306	44,87,007
 b) Reconciliation of fair value of assets and obligations		
Present value of obligation as at end of the year	44,73,306	44,87,007
Amount recognised in Balance Sheet	44,73,306	44,87,007
 c) Expenses recognized during the year		
Current Service Cost	12,39,693	12,06,579
Interest Cost	3,58,961	3,57,680
Actuarial (gain) / loss	(2,70,846)	(2,50,832)
Net Cost	13,27,808	13,13,427
 d) Actuarial assumptions		
Mortality Table (L.I.C.)	2006-08	2006-08
Discount rate (per annum) compounded	7.54%	8.00%
Rate of escalation in salary (per annum)	5.50%	5.50%
The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The above information is certified by the Actuary.		

**Notes annexed to and forming part of Balance Sheet as at 31st March, 2017
and Statement of Profit & Loss for the year ended on that date**

NOTE 30 SEGMENT REPORTING

Having regard to integrated nature of real estate development business of the company, the requirement of "Segmental Reporting" pursuant to Accounting Standard (AS-17) is not applicable.

NOTE 31 RELATED PARTY DISCLOSURES

Pursuant to Accounting Standard (AS-18) - "Related Party Disclosure" issued by Institute of Chartered Accountants of India following parties are to be treated as related parties

Summary of transactions of the related parties classified below is attached as annexure.

Name of Related Parties and Nature of Related Party Relationships (as certified by the management and relied upon by the auditors)

- | | | |
|--|--|--|
| 1 Entities Having Common Key Management Personnel : | M/s. Nikiyog Buildwell Pvt Ltd
M/s. Marudhara India Pvt Ltd
M/s. V Kumar Estates LLP
M/s. Wellworth Constructions Pvt Ltd. | M/s. Competent Investment Limited
M/s. Denon India Ltd.
M/s. St. Tropez Luxury Homes (P) Ltd. |
| 2 Key Management Personnel (Directors): | Mr. Jaspal Singh Chawla
Mr. Deepak Kumar
Mr. Vipin Sharma | Mr. Harpal Singh Chawla
Mr. Bharat Bhushan Kumar
Mr. Aman Sharma |
| 3 Relatives of Key Management Personnel (Directors): | Mr. S.P.S. Chawla
Mrs. Jasbir Kaur Chawla
Mrs. Monica Kumar
Mrs. Rita Kumar
Ms. Nikita Kumar
Ms. Yogyata Kumar
Mr. Gurpal Singh Chawla | Mrs. Gurpreet Kaur Chawla
Mrs. Vandana Chawla
Mr. Sehaj Chawla
Mr. Sumeen Chawla
Mrs. Poonam Sharma
Mrs. Sonia Sharma |
| 4 Subsidiary companies : | M/s Raj Realtech Pvt. Ltd
M/s Wellworth Housing Pvt. Ltd. | |
| 5 Enterprises over which above individuals have significant influence: | M/s. Preserve Facilitiez Pvt. Ltd.
M/s. Seven Stars Restaurants Pvt. Ltd.
(Formerly Seven Stars Infrastructure Pvt. Ltd.) | |

<u>PARTICULARS</u>	<u>As At 31.03.2017</u>	<u>As At 31.03.2016</u>
	Rs.	Rs.
NOTE 32 <u>Directors' Remuneration</u>		
Remuneration	72,00,000	1,91,39,960
	<u>72,00,000</u>	<u>1,91,39,960</u>
NOTE 33 <u>Payment to Auditors</u>		
Audit Fees	2,40,000	2,40,000
Tax Audit Fees	60,000	60,000
In Other Capacity	50,000	50,000
	<u>3,50,000</u>	<u>3,50,000</u>
NOTE 34 (a) CIF Value of Imports		
Materials	1,90,56,906	1,91,04,990
	<u>1,90,56,906</u>	<u>1,91,04,990</u>
(b) Expenditure in foreign currency		
Tours and Travelling	3,00,000	1,17,41,630
Others	-	2,51,621
	<u>3,00,000</u>	<u>1,19,93,251</u>

**Notes annexed to and forming part of Balance Sheet as at 31st March, 2017
and Statement of Profit & Loss for the year ended on that date**

(c) Earnings in foreign currency

Advance against sale of Flats	1,02,89,653	27,82,250
	<u>1,02,89,653</u>	<u>27,82,250</u>

NOTE 35 Non Fund based facilities of Rs 40 crore, from Axis Bank Ltd, is secured by way of equitable mortgage of office block in Spazedge project and residential units of Spaze Privy project situated at Gurgaon Haryana and company's Fixed Deposits. This is also collaterally secured by way of personal guarantees of directors of the company.

NOTE 36 The Company has filed an application under clause 7(5) of Haryana Alternative Tax Compliance Scheme for Contractors, 2016, for the period upto 31st March, 2014, which has been accepted by the competent authority. Consequent to the above said Order for acceptance the company has withdrawn all appeals filed before the Joint Excise and Taxation Commissioner (Appeals), Faridabad. Accordingly, the VAT amount has been demanded from the customers. Out of the said amount, an amount of Rs.6.51 crores for period till 31st March, 14 and Rs.2.96 crores for following years, has been paid towards payment of VAT liability till 31st March, 2017.

NOTE 37 Pursuant to Search conducted on business premises of the Company, including all its Directors, on 17th February, 2016, the company has filed an application before the Settlement commission, u/s 245C of the Income Tax Act, 1961, for settlement of issues and paid tax and interest thereon, amounting to Rs.29.18 crores on the income disclosed in the application. The settlement application has been allowed to be proceeded with and the issues arising would be considered in subsequent stages of proceedings. Tax liability, if any, arising during out of the proceedings will be provided for on finality.

NOTE 38 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

	SBNs
Closing Cash in hand as on 08.11.2016	22.96 cr
(-) Amount deposited in Banks	22.96 cr
Closing Cash in hand as on 30.12.2016	-

NOTE 39 Operating Cycle

The Company's normal operating cycle in respect of business operations is based on 36 months. Assets and Liabilities have been classified into current and non-current based on the operating cycle of business operations.

NOTE 40 The company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 issued by the Institute of Chartered Accountants of India.

NOTE 41 In the opinion of the management, the realizable value of all current assets, loans and advances in the ordinary course of business will not be less than their value stated in balance sheet.

NOTE 42 Some of the parties balances are subject to confirmations.

NOTE 43 PREVIOUS YEAR FIGURES

Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.

As per our Report of even date

For SURESH C. GUPTA & ASSOCIATES

Chartered Accountants

Firm Registration No: 004886N

Puneet Satija

Partner

Membership No: 536943

Place: New Delhi

Date: 31st August 2017

For and on behalf of the Board of Directors

Aman Sharma

(Director)

(DIN: 00381637)

Bharat Bhushan Kumar

(Director)

(DIN: 00064687)

Harpal Singh Chawla

(Director)

(DIN: 00516241)

Gagan Mahajan

(Company Secretary)

(Membership No. A34028)

Notes annexed to and forming part of Balance Sheet as at 31st March, 2017
and Statement of Profit & Loss for the year ended on that date

NOTE 9 FIXED ASSETS

(Rupees)											
S.No.	Particulars	Gross Block				Depreciation/Amortization				Net Block	Net Block
		As at 01.04.2016	Additions	Sale/ Adjustment	As at 31.03.2017	As at 01.04.2016	For the Year	Adjustment	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
A	Tangible Assets										
1	Office Building	18,25,36,364	-	-	18,25,36,364	4,50,43,444	66,86,325	-	5,17,29,769	13,08,06,595	13,74,92,920
2	Computers	1,46,49,590	4,75,239	-	1,51,24,829	1,35,24,236	4,97,032	-	1,40,21,268	11,03,561	11,25,354
3	Motor Vehicle	28,90,05,101	-	(5,71,40,736)	23,18,64,365	20,92,99,526	2,09,90,957	(4,49,98,884)	18,52,91,599	4,65,72,766	7,97,05,575
4	Air Conditioning	23,09,433	-	-	23,09,433	21,33,319	28,179	-	21,61,498	1,47,935	1,76,114
5	Furniture & Fixture	6,39,15,555	-	-	6,39,15,555	5,09,00,503	41,94,427	-	5,50,94,930	88,20,625	1,30,15,052
6	Office Equipments	2,58,25,340	4,04,74,306	-	6,62,99,646	2,21,54,361	98,90,470	-	3,20,44,831	3,42,54,815	36,70,979
	Total	57,82,41,383	4,09,49,545	(5,71,40,736)	56,20,50,192	34,30,55,389	4,22,87,390	(4,49,98,884)	34,03,43,895	22,17,06,297	23,51,85,994
1	Capital Work In Progress	4,03,92,967	-	-	4,03,92,967	-	-	4,03,92,967	4,03,92,967	-	4,03,92,967
	Total	4,03,92,967	-	-	4,03,92,967	-	-	4,03,92,967	4,03,92,967	-	4,03,92,967
	Total (A)	61,86,34,350	4,09,49,545	(5,71,40,736)	60,24,43,159	34,30,55,389	4,22,87,390	(46,05,917)	38,07,36,862	22,17,06,297	27,55,78,961
	Previous Year	61,68,26,638	85,20,747	(67,13,035)	61,86,34,350	29,46,31,941	5,39,22,989	(54,99,541)	34,30,55,389	27,55,78,961	32,21,94,697
B	Intangible										
1	Software	50,64,888	1,88,559	-	52,53,447	45,99,251	1,72,913	-	47,72,164	4,81,283	4,65,637
	Total (B)	50,64,888	1,88,559	-	52,53,447	45,99,251	1,72,913	-	47,72,164	4,81,283	4,65,637
	Previous Year	47,97,138	2,67,750	-	50,64,888	44,04,938	1,94,313	-	45,99,251	4,65,637	3,92,200
	Current Year (A+B)	62,36,99,238	4,11,38,104	(5,71,40,736)	60,76,96,606	34,76,54,640	4,24,60,303	(46,05,917)	38,55,09,026	22,21,87,580	27,60,44,598
	Previous Year	62,16,23,776	87,88,497	(67,13,035)	62,36,99,238	29,90,36,879	5,41,17,302	(54,99,541)	34,76,54,640	27,60,44,598	32,25,86,897