



## ***Independent Auditor's Report***

To the Members of **SPACE TOWERS PRIVATE LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### Opinion

We have audited the financial statements of **SPACE TOWERS PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2019, its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Responsibilities of Management and Those Charged with Governance for the Standalone 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Sec 197(16) of the Act as amended, we report that Section 197 is not applicable to a private company. Hence reporting as per Section 197(16) is not required.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have such pending litigations which would impact its financial position.
  - The Company did not have such long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place:-New Delhi  
Date: 20.09.2019

For M/s Rajnish Virmani & Co.  
Chartered Accountants  
FRN: 033422N  
  
Rajnish Virmani  
(Proprietor)  
Membership No. 081664



## ***Report on Internal Financial Controls with reference to financial statements***

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 **SPACE TOWERS PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the 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. 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 Companies Act, 2013.

### 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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

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, 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 March 31, 2019, 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.

Place:-New Delhi  
Date: 20.09.2019

For M/s Rajnish Virmani & Co.  
Chartered Accountants  
FRN: 033422N

  
Rajnish Virmani  
(Proprietor)

Membership No. 081664



**SPAZE TOWERS PVT LTD**  
**BALANCE SHEET AS AT 31ST MARCH, 2019**

| Particulars   | Notes | AS AT<br>31.03.2019   | AS AT<br>31.03.2018   |
|---|-------|-----------------------|-----------------------|
| <b><u>EQUITY AND LIABILITIES</u></b>                                  |       |                       |                       |
| <b><u>Shareholders' Funds</u></b>                                     |       |                       |                       |
| Share Capital   | 2     | 19,80,00,000          | 19,80,00,000          |
| Reserves & Surplus  | 3     | 53,05,97,518          | 51,76,47,083          |
| <b><u>Non-current Liabilities</u></b>                                 |       |                       |                       |
| Long Term Borrowings  | 4     | 1,17,24,21,708        | 1,20,56,28,763        |
| Long Term Provisions  | 5     | 53,55,600             | 45,45,246             |
| <b><u>Current Liabilities</u></b>                                     |       |                       |                       |
| <b><u>Trade Payables:</u></b>   |       |                       |                       |
| Total outstanding dues of Micro Enterprises and Small Enterprises and | 6     | 9,297                 |                       |
| Total outstanding dues of Micro Enterprises and Small Enterprises and |       | 33,85,57,635          | 34,83,71,345          |
| Other Current Liabilities   | 7     | 2,90,45,51,489        | 3,27,98,83,372        |
| Short-term Provisions   | 8     | 2,56,540              | 2,17,553              |
| <b>TOTAL</b>  |       | <b>5,14,97,49,787</b> | <b>5,55,42,93,362</b> |
| <b><u>ASSETS</u></b>  |       |                       |                       |
| <b><u>Non-current Assets</u></b>                                      |       |                       |                       |
| <b><u>Fixed Assets</u></b>  |       |                       |                       |
| Tangible Assets   |       | 16,00,01,428          | 18,32,90,037          |
| Intangible Assets   |       | 3,59,909              | 4,93,565              |
|   | 9     | 16,03,61,337          | 18,37,83,602          |
| Non-Current Investments   | 10    | 22,12,09,232          | 22,12,09,232          |
| Deferred tax assets (net)   | 11    | 1,89,40,890           | 2,52,15,988           |
| Long Term Loans & Advances  | 12    | 2,37,11,135           | 2,34,16,128           |
| <b><u>Current Assets</u></b>  |       |                       |                       |
| Inventories   | 13    | 3,17,52,24,092        | 3,81,34,18,061        |
| Trade Receivables   | 14    | 95,90,87,178          | 65,12,43,697          |
| Cash and Bank Balances  | 15    | 31,17,16,447          | 38,03,04,722          |
| Short Term Loans & Advances   | 16    | 27,94,99,475          | 25,57,01,932          |
| <b>TOTAL</b>  |       | <b>5,14,97,49,785</b> | <b>5,55,42,93,362</b> |

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 M/s RAJNISH VIRMANI & Co.

Firm Registration No: 033422N

Chartered Accountants



*Aman Sharma*  
Aman Sharma  
(Director)  
(DIN: 00381637)

*Bharat Bhushan Kumar*  
Bharat Bhushan Kumar  
(Director)  
(DIN: 00064687)

*Harpal Singh Chawla*  
Harpal Singh Chawla  
(Director)  
(DIN: 00516241)

*Eshu Aneja*

Eshu Aneja

(Company Secretary)

(Membership No. A44737)

Place: New Delhi

Date: 20th September 2019

UDIN : 19081664AAAAA21016

**SPACE TOWERS PVT LTD**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

| Particulars   | Notes | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|---|-------|-------------------------------|-------------------------------|
|   |       | Rs.                           | Rs.                           |
| <b>Income</b>   |       |                               |                               |
| Revenue from Operations   | 17    | 2,57,15,77,547                | 2,04,16,39,748                |
| Other Income  | 18    | 1,51,38,631                   | 2,04,15,428                   |
| Total Revenue   |       | 2,58,67,16,178                | 2,06,20,55,176                |
| <b>Expenses</b>   |       |                               |                               |
| Project Expenses  | 19    | 1,76,39,36,733                | 1,91,67,04,148                |
| Changes in Inventories  | 20    | 63,81,93,969                  | (7,40,31,532)                 |
| Employee Benefits Expense   | 21    | 7,54,47,845                   | 7,26,19,918                   |
| Finance Costs   | 22    | 1,00,47,853                   | 1,15,48,654                   |
| Depreciation and Amortization Expe  | 23    | 2,08,78,978                   | 3,13,39,416                   |
| Other Expenses  | 24    | 5,60,22,210                   | 5,60,46,014                   |
| Total Expenses  |       | 2,56,45,27,588                | 2,01,42,26,618                |
| <b>Profit/ (Loss) before tax</b>  |       | 2,21,88,590                   | 4,78,28,558                   |
| <b>Tax Expense :</b>  |       |                               |                               |
| i) Current Tax  |       | 29,63,057                     | 1,42,88,320                   |
| ii) Deferred Tax  |       | 62,75,098                     | (3,13,326)                    |
| <b>Profit/ (Loss) for the Year</b>  |       | 1,29,50,435                   | 3,38,53,564                   |
| <b>Earning Per Equity Share</b><br>(On Shares of nominal value of Rs 10/- each) |       |                               |                               |
| Basic   |       | 0.65                          | 1.71                          |
| Diluted   |       | 0.65                          | 1.71                          |

**SIGNIFICANT ACCOUNTING POLICIES**

1

The Notes form an integral part of these financial statements


As per our Report of even date  
For M/s RAJNISH VIRMANI & Co.


Firm Registration No: 033422N

Chartered Accountants

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)



Membership No: 081664

UDIN: 19081664AAAAA21016

Place: New Delhi

Date: 20th September 2019

  
Eshu Aneja  
(Company Secretary)  
(Membership No. A44737)



SPAZE TOWERS PVT LTD  
Cash Flow Statement for the year ended March 31, 2019

| PARTICULARS  | For the year ended<br>31.03.2019 | For the year ended<br>31.03.2018 |
|--|----------------------------------|----------------------------------|
|  | Rs.                              | Rs.                              |
| <b>A. Cash Flow From Operating Activity</b>  |                                  |                                  |
| Net Profit before Tax, Appropriation, and Extra-Ordinary Items                               | 2,21,88,590                      | 4,78,28,558                      |
| Adjustment for Non Cash and Non Operating Items  |                                  |                                  |
| Add:   |                                  |                                  |
| Depreciation   | 2,08,78,978                      | 3,13,39,416                      |
| Interest and Financial Charges   | 1,00,47,853                      | 1,15,48,654                      |
| Less:  |                                  |                                  |
| Income from Mutual Fund  | -                                | 29,85,408                        |
| Interest Income  | 1,48,71,205                      | 1,30,93,903                      |
| Profit on sale of Fixed Asset  | 2,67,295                         | 15,56,046                        |
| Operating Profit before Working Capital Changes  | 3,79,76,921                      | 7,30,81,271                      |
| Add: Exceptional Items (Earlier Years)   | -                                | 11,30,60,000                     |
| Add: Decrease/(Increase) in current assets and<br>Increase/(Decrease) in current liabilities |                                  |                                  |
| Trade Recivables and Other Assets  | (32,56,60,933)                   | (13,95,71,880)                   |
| Inventories  | 63,81,93,969                     | (7,40,31,532)                    |
| Trade Payables and Other Current Liabilities   | (38,41,75,747)                   | (30,19,16,785)                   |
| Provision for gratuity   | 8,49,341                         | 2,89,493                         |
| Cash generated from operation  | (3,28,16,449)                    | (32,90,89,433)                   |
| Less: Taxes Paid during the year   | 29,63,057                        | 1,42,88,320                      |
| Net Cash From Operating Activity (A)   | (3,57,79,506)                    | (34,33,77,753)                   |
| <b>B. Cash Flow From Investing Activity</b>  |                                  |                                  |
| Add:   |                                  |                                  |
| Sale of Fixed Asset  | 29,98,154                        | 92,25,000                        |
| Income from Mutual Fund  | -                                | 29,85,408                        |
| Interest Received  | 1,48,71,205                      | 1,30,93,903                      |
| Less:  |                                  |                                  |
| Purchase of Fixed Asset  | 4,54,867                         | 6,04,392                         |
| Net Cash Flow From Investing Activity (B)  | 1,74,14,492                      | 2,46,99,919                      |
| <b>C. Cash Flow From Financing Activity</b>  |                                  |                                  |
| Add:   |                                  |                                  |
| Proceeds from Unsecured Loans (Net)  | 14,06,82,383                     | 33,44,63,462                     |
| Proceeds from secured Loans (Net)  | -                                | 7,28,13,326                      |
| Less:  |                                  |                                  |
| Repayment of Secured Loans (Net)   | 17,38,89,438                     | -                                |
| Interest and Finance Charges   | 1,00,47,853                      | 1,15,48,654                      |
| Net Cash Flow From Financing Activity (C)  | (4,32,54,908)                    | 39,57,28,134                     |
| Net Increase in cash and cash equivalents (A+B+C)  | (6,16,19,922)                    | 7,70,50,300                      |
| Add: Cash and cash equivalents at the beginning of the year                                  | 13,34,66,771                     | 5,64,16,471                      |
| Cash and cash equivalents at the end of the year   | 7,18,46,849                      | 13,34,66,771                     |

As per our Report of even date  
For M/s RAJNISH VIRMANI & Co.  
Firm Registration No: 033422N  
Chartered Accountants

For and on behalf of the Board of Directors



RAJNISH VIRMANI  
Proprietor  
Membership No: 081664

UDIN: 19081664AAAAA21016

Aman Sharma  
(Director)  
(DIN: 00381637)

Bharat Bhushan Kumar  
(Director)  
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Harpal Singh Chawla  
(Director)  
(DIN: 00516241)

Eshu Aneja

Eshu Aneja  
(Company Secretary)  
(Membership No. A44737)

Place: New Delhi  
Date: 20th September 2019

Notes annexed to and forming part of Balance Sheet as at 31st March, 2019  
and Statement of Profit & Loss for the year ended on that date

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Preparation of Financial Statements**

The accounts have been prepared under historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, issued by the Central Government in exercise of the powers conferred under sub-section(1) (a) of the section 642 of the companies Act, 1956 and other guidance notes issued by Institute of Chartered Accountants of India to the extent applicable are adopted consistently by the Company.

**b) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require Management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the period in which these revisions are made.

**c) Fixed Assets**

Tangible assets are stated at Historical cost (Gross Block) less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Cost comprises the acquisition price, development cost and any attributable/ allocable incidental cost of bringing the assets to its working condition for its intended use.

**d) Depreciation and Amortization**

Depreciation on fixed assets is charged on the written down value method using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Schedule II of the companies Act, 2013, whichever is higher.

Amortization of intangible assets (software) is provided on Written down Value method using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Schedule II of the companies Act, 2013, whichever is higher.

**e) Investments**

Investments are classified as Long Term or Current, based on the management's intention at the time of making investments. Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long-term Investments.

Trade Investments are the investments made for or to enhance the Company's business interests. Current investments are stated at the lower of cost or fair market value determined on an individual investment basis. Long-term investments are stated at cost and provision for diminution in their value, if any, in the opinion of the management, is recognized in the accounts. Profit/loss on sale of investments is computed with reference to the average cost of the investment.





Notes annexed to and forming part of Balance Sheet as at 31st March, 2019  
and Statement of Profit & Loss for the year ended on that date

**f) Inventories**

Work-in-Progress in respect of construction activities is valued on the basis of Budgeted cost of each project and estimated sales value of unsold inventory as considered in POCM working of the financial statements have been prepared by project team with proper due diligence.

Inventories other than work-in-progress are valued at cost or market value, whichever is lower.

Work-in-progress includes land acquisition costs, internal development costs, external development costs, construction costs and other costs directly relating to the construction activities.

**g) Revenue Recognition**

a) The Company follows "Percentage of Completion Method" of accounting for construction projects. Construction projects include residential, institutional and commercial projects. As per this method, the revenue is recognized in proportion to the actual costs incurred as against the total estimated cost of the projects under execution subject to the actual cost being 30% or more of the total estimated cost, except where construction has not started.

b) The estimates relating to saleable area, sale value, estimated costs etc., are revised and updated periodically by the Management and necessary adjustments are made in the current year's accounts.

c) Project expenditure bills received till the close of the year, are accounted for in such year. Difference, if any arising upon final measurement and certification of such bills are recognized in the year in which such bills are certified.

d) Indirect costs are treated as "Period Costs" and are charged to the Statement of Profit & Loss in the year in which they are incurred.

e) Whereas all incomes and expenses are accounted for on accrual basis, interest on delayed payments by customers against dues, and other intermittent charges recovered from customers are recognized in the accounts on realization of payment, owing to the practical difficulties and uncertainties involved. Any sum payable by way of tax, cess, levies, charges etc payable to government agencies, is accounted for on payment thereof. Further, Expenditure under the head of project expenditure including leasing business of the company is net of income directly attributable to such expenses, if any and vice versa.

**h) Cost of Revenue**

Cost of constructed properties include cost of land (including land under agreements to purchase), estimated internal development costs, external development charges, construction costs, development/construction materials and other related costs, which is charged to the Statement of Profit & Loss based on the percentage of revenue recognized as per accounting policy, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

**i) Borrowing Costs**

Borrowing costs that are attributable to acquisition or construction / development of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Any recoveries from customers



etc on account of such costs is reduced from it. All other borrowing costs are charged to statement of Profit and Loss.

**Notes annexed to and forming part of Balance Sheet as at 31st March, 2019  
and Statement of Profit & Loss for the year ended on that date**

**j) Provision for Taxation**

- a) Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax Assets/Liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax in respect of differential income due to accounting of sales on percentage completion basis, being not determinate, is not recognized.

**k) Foreign Currency Transaction**

**Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate.

**Exchange Difference**

The difference in transaction of monetary assets and liabilities and realized gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the Statement of Profit & Loss.

Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted in the carrying amount of the fixed assets.

**l) Retirement Benefits**

**a. Short-term Employee Benefits**

Short term employee benefits are charged off, at the undiscounted amount, in the year in which the related service is rendered. These benefits include salaries, bonus and performance incentives etc.

**b. Post-employment Benefit Plans**

**i) Defined Contribution Plans:**

The Company's contribution paid/payable towards Provident fund is recognized as an expense in the Statement of Profit & Loss.

**ii) Defined Benefits Plan:**

The cost of providing defined benefits like gratuity is determined using the Projected Unit Credit Method, with actuarial valuations carried out annually as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to Statement of Profit & Loss.

**iii) Other Long Term Benefits:**

The Company's liability towards the un-availed earned leaves in the account of an employee is a short term liability, as all the un-availed earned leaves as at the end of a financial year are encashed in the first month of the next financial year, as per the policy of the Company. The liability in this regard is provided on the basis of last drawn eligible salary as at the end of the year.





Notes annexed to and forming part of Balance Sheet as at 31st March, 2019  
and Statement of Profit & Loss for the year ended on that date

**m) Earnings Per Share**

Basic Earnings per Share is calculated by dividing the Net Profit/ (Loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

**n) Impairment of assets**

Impairment loss in the value of assets, as specified in Accounting Standard-28 is recognized whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.

**o) Contingent Liabilities**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources 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. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.



Notes annexed to and forming part of Balance Sheet as at 31st March, 2019  
and Statement of Profit & Loss for the year ended on that date

| <u>PARTICULARS</u>  |                                      | AS AT<br>31.03.2019<br>Rs. | AS AT<br>31.03.2018<br>Rs. |
|---|--------------------------------------|----------------------------|----------------------------|
| <b>NOTE 2 <u>SHARE CAPITAL</u></b>  |                                      |                            |                            |
| <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 31.03.2019</u>              | <u>As At 31.03.2018</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  | 66,00,000      33.34                 | 66,00,000      33.34       |                            |
| (Formerly V. Kumar Estates Pvt. Ltd.)   |                                      |                            |                            |
| 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. |                                      |                            |                            |
| <b>NOTE 3 <u>RESERVES &amp; SURPLUS</u></b>   |                                      | <u>As At 31.03.2019</u>    | <u>As At 31.03.2018</u>    |
| General Reserve   |                                      |                            |                            |
| Opening Balance   |                                      | 40,00,000                  | 40,00,000                  |
| Closing Balance   |                                      | 40,00,000                  | 40,00,000                  |
| (A)   |                                      |                            |                            |
| Surplus/ (Deficit) as per Statement of Profit & Loss  |                                      |                            |                            |
| Opening Balance   |                                      | 51,36,47,083               | 36,67,33,519               |
| Add: Profit/ (Loss) during the year   |                                      | 1,29,50,435                | 3,38,53,564                |
| Add: Exceptional Items (Earlier Years)  |                                      | -                          | 11,30,60,000               |
| (B)   |                                      | 52,65,97,518               | 51,36,47,083               |
| (A+B)   |                                      | 53,05,97,518               | 51,76,47,083               |





| PARTICULARS  | AS AT          | AS AT          |
|--|----------------|----------------|
|  | 31.03.2019     | 31.03.2018     |
|  | Rs.            | Rs.            |
| <b>NOTE 4 LONG -TERM BORROWINGS</b>  |                |                |
| <b>SECURED LOANS</b>   |                |                |
| Vehicle Loan- From Banks:  |                |                |
| ICICI Bank Limited   | -              | 10,05,604      |
| HDFC Bank Limited  | -              | 38,46,994      |
| Total  | -              | 48,52,598      |
| Construction Loan  | -              | 26,52,25,031   |
| ICICI Bank Limited   | -              |                |
| Others   | -              | 72,61,006      |
| Aditya Birla Finance Ltd   | 18,78,23,418   | 8,51,70,128    |
| India Infoline Housing Finance Limited   | 18,78,23,418   | 35,76,56,165   |
| Total  | 18,78,23,418   | 36,25,08,763   |
| Total  |                |                |
| <b>UNSECURED LOANS</b>   | 35,20,15,000   | 21,33,90,000   |
| From Directors   | 63,17,87,383   | 62,97,30,000   |
| From Related Parties   | 98,38,02,383   | 84,31,20,000   |
| Total  | 1,17,16,25,801 | 1,20,56,28,763 |
| Total  |                |                |
| <b>4.1 Term of Repayment :</b>   |                |                |
| 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 August, 2018 to January, 2021  |                |                |
| c Unsecured Loans are repayable on demand after expiry of 3 years and carry interest @ 8%-12% p.a., wherever applicable.   |                |                |
| d Loan from IIHFL is repayable in 180 monthly instalments commencing from March 2018 to March 2033.  |                |                |
| <b>4.2</b> Vehicle loans are secured by hypothecation of vehicles financed by them.  |                |                |
| <b>4.3</b> Construction Loan from ICICI Bank is secured by equitable mortgage of two projects and hypothecation of its receivables and by personal guarantees of directors of the company.                     |                |                |
| <b>4.5</b> Loan from India Infoline Housing Finance Limited is secured by mortgage of 19 units in Project Palazzo and immovable property owned by company in which director is interested.                     |                |                |
| <b>NOTE 5 LONG TERM PROVISIONS</b>   |                |                |
| Provision for Gratuity   | 53,55,600      | 45,45,246      |
|  | 53,55,600      | 45,45,246      |
| <b>NOTE 6 TRADE PAYABLES</b>   |                |                |
| Micro, Small and Medium Enterprises  | 9,297          | -              |
| Others   |                |                |
| - To Related Party   | 9,20,55,007    | 9,21,02,673    |
| - To Others  | 24,65,02,628   | 25,62,68,672   |
|  | 33,85,66,932   | 34,83,71,345   |
| <b>NOTE 7 OTHER CURRENT LIABILITIES</b>  |                |                |
| Current maturities of long-term borrowings   | 11,49,28,661   | 15,60,84,683   |
| Security deposits and Retention Money  | 62,25,54,442   | 52,26,82,681   |
| Book Overdraft with Banks  | 46,67,232      | 40,86,667      |
| Overdraft Facility with Bank - ICICI Bank Limited *  | 3,44,15,098    | 3,50,82,713    |
| Overdraft Facility with Bank - ANDHRA Bank Limited *   | 11,85,14,084   | 8,43,00,617    |
| Booking and Project Advance  | 1,97,43,57,870 | 2,43,01,70,487 |
| Duties & Taxes   | 1,15,96,476    | 2,67,36,448    |
| Expenses Payable   | 2,35,17,626    | 2,07,39,076    |
|  | 2,90,45,51,489 | 3,27,98,83,372 |
| * Overdraft facility from ICICI Bank is secured by equitable mortgage of two projects and hypothecation of its receivables, 8 units of Project Palazzo and by personal guarantees of directors of the company. |                |                |
| * Overdraft facility from Andhra Bank is secured by pledge of Fixed Deposits.  |                |                |
| <b>NOTE 8 SHORT-TERM PROVISIONS</b>  |                |                |
| (a) Provision for employee benefits - Provision for Gratuity   | 2,56,540       | 2,17,553       |
|  | 2,56,540       | 2,17,553       |



Notes annexed to and forming part of Balance Sheet as at 31st March, 2019  
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<br>As at<br>31.03.2018 |                     |
|-------|---------------------|---------------------|-----------|---------------------|---------------------------|---------------------|-----------------|------------|---------------------|----------------------------------|---------------------|
|       |                     | As at<br>01.04.2018 | Additions | Sale/<br>Adjustment | As at<br>31.03.2019       | As at<br>01.04.2018 | For the<br>Year | Adjustment | As at<br>31.03.2019 |                                  | As at<br>31.03.2019 |
| A     | Tangible Assets     |                     |           |                     |                           |                     |                 |            |                     |                                  |                     |
| 1     | Office Building     | 18,25,36,364        | -         | -                   | 18,25,36,364              | 5,80,90,936         | 60,51,822       | -          | 6,41,42,758         | 11,83,93,606                     | 12,44,45,428        |
| 2     | Computers           | 1,53,69,536         | 3,39,409  | -                   | 1,57,08,945               | 1,43,97,851         | 3,35,763        | -          | 1,47,33,614         | 9,75,330                         | 9,71,685            |
| 3     | Motor Vehicle       | 14,63,05,784        | -         | (30,32,705)         | 14,32,73,079              | 12,11,32,924        | 65,83,223       | -          | 12,76,81,595        | 1,55,91,483                      | 2,51,72,860         |
| 4     | Air Conditioning    | 23,09,433           | -         | -                   | 23,09,433                 | 21,75,167           | 5,681           | -          | 21,80,848           | 1,28,585                         | 1,34,266            |
| 5     | Furniture & Fixture | 6,40,16,105         | 47,100    | -                   | 6,40,63,205               | 5,76,58,550         | 17,63,107       | -          | 5,94,21,657         | 46,41,548                        | 63,57,555           |
| 6     | Office Equipments   | 6,63,73,608         | 68,358    | -                   | 6,64,41,966               | 4,01,65,365         | 60,05,726       | -          | 4,61,71,091         | 2,02,70,875                      | 2,62,08,243         |
|       | Total               | 47,69,10,829        | 4,54,867  | (30,32,705)         | 47,43,32,991              | 29,36,20,793        | 2,07,45,322     | -          | 31,43,31,564        | 16,00,01,427                     | 18,32,90,037        |
| B     | Intangible          |                     |           |                     |                           |                     |                 |            |                     |                                  |                     |
| 1     | Software            | 54,38,620           | -         | -                   | 54,38,620                 | 49,45,055           | 1,33,656        | -          | 50,78,711           | 3,59,909                         | 4,93,565            |
|       | Total (B)           | 54,38,620           | -         | -                   | 54,38,620                 | 47,72,164           | 1,33,656        | -          | 50,78,711           | 3,59,909                         | 4,93,565            |
|       | Current Year (A+B)  | 48,23,49,449        | 4,54,867  | (30,32,705)         | 47,97,71,611              | 29,83,92,957        | 2,08,78,978     | -          | 31,94,10,274        | 16,03,61,337                     | 18,37,83,602        |





| NOTE    | PARTICULARS   | AS AT<br>31.03.2019 |              | AS AT<br>31.03.2018 |                |
|---------|---|---------------------|--------------|---------------------|----------------|
|         |   | Rs.                 | Rs.          | Rs.                 | Rs.            |
| NOTE 10 | <b>NON-CURRENT INVESTMENTS (At Cost)</b>                      |                     |              |                     |                |
|         | <u>Trade Investments (Unquoted)</u>                           | Face Value          | No of shares | No of shares        |                |
|         | <u>In Equity Shares</u>                                       |                     |              |                     |                |
|         | <u>Subsidiary Companies</u>                                   |                     |              |                     |                |
|         | Raj Realtech Pvt Ltd.   | 10                  | 10,000       | 10,000              | 17,50,000      |
|         | Wellworth Housing Pvt Ltd.                                    | 10                  | 10,000       | 10,000              | 30,00,000      |
|         | <u>Others</u>   |                     |              |                     |                |
|         | Nikiyog Buildwell Pvt Ltd.                                    | 10                  | 14,53,125    | 14,53,125           | 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    |
|         |   |                     |              |                     | 22,12,09,232   |
| NOTE 11 | <b>DEFERRED TAX ASSETS</b>                                    |                     |              |                     |                |
|         | Deferred Tax Assets on account of:                            |                     |              |                     |                |
|         | - Depreciation  |                     |              |                     | 1,69,20,430    |
|         | - Employee Benefits   |                     |              |                     | 20,20,460      |
|         |   |                     |              |                     | 1,89,40,890    |
| NOTE 12 | <b>LONG TERM LOANS AND ADVANCES</b>                           |                     |              |                     |                |
|         | Advances to Subsidiary Companies                              |                     |              |                     | 1,30,50,000    |
|         | Security Deposit  |                     |              |                     | 98,65,228      |
|         |   |                     |              |                     | 2,29,15,228    |
|         | Aditya Birla Finance Limited                                  |                     |              |                     | 21,302         |
|         | India Infoline Housing Finance Limited                        |                     |              |                     | 7,74,604       |
|         |   |                     |              |                     | 2,37,11,135    |
| NOTE 13 | <b>INVENTORIES</b>  |                     |              |                     |                |
|         | (as taken, valued and certified by the management)            |                     |              |                     |                |
|         | Work-in-Progress  |                     |              |                     | 3,17,52,24,092 |
|         |   |                     |              |                     | 3,17,52,24,092 |
| NOTE 14 | <b>TRADE RECEIVABLES</b>                                      |                     |              |                     |                |
|         | (Unsecured, Considered Good)                                  |                     |              |                     |                |
|         | Due for more than six months -To others                       |                     |              |                     |                |
|         | Other Debts   |                     |              |                     | 95,90,87,178   |
|         |   |                     |              |                     | 95,90,87,178   |
| NOTE 15 | <b>CASH AND BANK BALANCES</b>                                 |                     |              |                     |                |
|         | <u>Cash and Cash Equivalents</u>                              |                     |              |                     |                |
|         | Balances with Scheduled Banks :                               |                     |              |                     |                |
|         | In Current Account  |                     |              |                     | 7,15,74,269    |
|         | Cash on hand  |                     |              |                     | 2,72,580       |
|         | <u>Other Bank Balances</u>                                    |                     |              |                     |                |
|         | In Fixed Deposit Account*(including interest accrued thereon) |                     |              |                     | 23,98,69,598   |
|         | (Deposits held as margin money)                               |                     |              |                     |                |
|         |   |                     |              |                     | 31,17,16,447   |
| NOTE 16 | <b>SHORT TERM LOANS AND ADVANCES</b>                          |                     |              |                     |                |
|         | (Unsecured, considered good)                                  |                     |              |                     |                |
|         | Advance Paid For Project                                      |                     |              |                     | 89,42,479      |
|         | Related Party   |                     |              |                     | 4,01,00,000    |
|         | Mobilization Advance  |                     |              |                     | 1,98,84,667    |
|         | Other Advances  |                     |              |                     | 8,96,30,329    |
|         | Taxation advance  |                     |              |                     | 7,40,43,429    |
|         | Security Deposit  |                     |              |                     | 4,68,98,571    |
|         |   |                     |              |                     | 27,94,99,475   |
|         |   |                     |              |                     | 1,20,00,000    |
|         |   |                     |              |                     | 4,01,00,000    |
|         |   |                     |              |                     | 2,44,81,962    |
|         |   |                     |              |                     | 8,55,82,934    |
|         |   |                     |              |                     | 4,66,21,822    |
|         |   |                     |              |                     | 4,69,15,214    |
|         |   |                     |              |                     | 25,57,01,932   |



| PARTICULARS   | For the Year ended<br>31.03.2019 | For the Year<br>ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
|   | Rs.                              | Rs.                              |
| <b>NOTE 17 <u>REVENUE FROM OPERATIONS</u></b>               |                                  |                                  |
| From Real Estate Activities                                 | 2,57,15,77,547                   | 2,04,16,39,748                   |
|   | <u>2,57,15,77,547</u>            | <u>2,04,16,39,748</u>            |
| <b>NOTE 18 <u>OTHER INCOME</u></b>                          |                                  |                                  |
| Interest Received   | 1,48,71,205                      | 1,30,93,903                      |
| Income from Mutual Fund                                     | -                                | 29,85,408                        |
| Liabilities Written Back                                    | 131                              | 27,80,071                        |
| Profit on sale of Fixed Asset                               | 2,67,295                         | 15,56,046                        |
|   | <u>1,51,38,631</u>               | <u>2,04,15,428</u>               |
| <b>NOTE 19 <u>PROJECT EXPENSES</u></b>                      |                                  |                                  |
| Land Development & Project Cost                             | 92,56,03,968                     | 98,26,85,178                     |
| Salary and Wages  | 1,51,74,366                      | 1,65,24,765                      |
| Licence and Related Expenses                                | 3,27,30,759                      | 16,16,51,040                     |
| Interest and Financial Charges                              | 74,21,48,629                     | 71,39,57,049                     |
| Brokerage   | 1,78,82,533                      | 1,76,01,862                      |
| Other Project Expenses                                      | 3,03,96,478                      | 2,42,84,254                      |
|   | <u>1,76,39,36,733</u>            | <u>1,91,67,04,148</u>            |
| <b>NOTE 20 <u>CHANGE IN INVENTORIES</u></b>                 |                                  |                                  |
| Opening Work In Progress                                    | 3,81,34,18,061                   | 3,73,93,86,529                   |
| Less: Closing Work In Progress                              | 3,17,52,24,092                   | 3,81,34,18,061                   |
|   | <u>63,81,93,969</u>              | <u>(7,40,31,532)</u>             |
| <b>NOTE 21 <u>EMPLOYEE BENEFITS EXPENSE</u></b>             |                                  |                                  |
| Salary, Wages and other Payments                            | 6,51,54,626                      | 6,20,62,080                      |
| Director's Remuneration                                     | 72,00,000                        | 72,00,000                        |
| Contribution to Provident and other funds                   | 14,36,238                        | 15,22,723                        |
| Workmen and Staff Welfare Expenses                          | 16,56,981                        | 18,35,115                        |
|   | <u>7,54,47,845</u>               | <u>7,26,19,918</u>               |
| <b>NOTE 22 <u>FINANCE COSTS</u></b>                         |                                  |                                  |
| Interest on Borrowings                                      | 1,00,47,853                      | 1,15,48,654                      |
|   | <u>1,00,47,853</u>               | <u>1,15,48,654</u>               |
| <b>NOTE 23 <u>DEPRECIATION AND AMORTIZATION EXPENSE</u></b> |                                  |                                  |
| Depreciation on Tangible Assets                             | 2,07,45,322                      | 3,11,66,525                      |
| Amortization of Intangible Assets                           | 1,33,656                         | 1,72,891                         |
|   | <u>2,08,78,978</u>               | <u>3,13,39,416</u>               |
| <b>NOTE 24 <u>OTHER EXPENSES</u></b>                        |                                  |                                  |
| Rates & Taxes   | 91,03,960                        | 1,14,15,798                      |
| Repairs and Maintenance -Building                           | 2,98,173                         | 6,80,001                         |
| Repairs and Maintenance -others                             | 24,45,724                        | 37,35,855                        |
| Insurance   | 10,20,854                        | 26,39,635                        |
| Legal & Professional Charges                                | 71,48,752                        | 51,11,077                        |
| Advertisement and Sales Promotion Expenses                  | 11,39,600                        | 22,00,369                        |
| Telephone & Communication Expenses                          | 11,25,652                        | 16,89,014                        |
| Travelling expenses   | 13,61,354                        | 12,46,090                        |
| Conveyance  | 72,22,051                        | 76,79,027                        |
| General Expenses  | 1,18,39,722                      | 85,29,664                        |
| Prior Period Items - Net                                    | 61,021                           | -                                |
| Bank Charges  | 1,29,05,347                      | 1,07,69,484                      |
| Payment to Auditors   | 3,50,000                         | 3,50,000                         |
|   | <u>5,60,22,210</u>               | <u>5,60,46,014</u>               |





Notes annexed to and forming part of Balance Sheet as at 31st March, 2019  
and Statement of Profit & Loss for the year ended on that date

| PARTICULARS   | As At 31.03.2019 | As At 31.03.2018 |
|---|------------------|------------------|
|   | Rs.              | Rs.              |
| <b>NOTE 25 CONTINGENT LIABILITIES</b>   |                  |                  |
| (a) Bank Guarantees   | 38,18,95,483     | 36,89,20,820     |
| (b) Contingent liabilities (under litigation), not acknowledged as debt, include: (Amount in Rs.)   |                  |                  |
|   | 31.03.2019       | 31.03.2018       |
| a) Service Tax FY till 2015-16  | 1,82,53,278      | 1,82,53,278      |
| b) Service Tax FY 2016-17 and FY 2017-18*   | 19,72,815        | 19,72,815        |
| *upto June 17 (before GST)  |                  |                  |
| <b>NOTE 26</b> As per information available to the Management, an amount of RS. 9297 is due to small scale and micro Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 |                  |                  |

**NOTE 27** The disclosure required under Accounting Standard -15, Employees Benefit, notified in the Companies (Accounting Standard) Rules, 2006 are given below:

| PARTICULARS  | As At 31.03.2019 | As At 31.03.2018 |
|--|------------------|------------------|
|  | Rs.              | Rs.              |
| <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  | 14,36,238        | 15,22,723        |
| <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  | 47,62,799        | 44,73,306        |
| Adjustment on Amalgamation   |                  |                  |
| Current Service Cost   | 12,44,217        | 11,51,925        |
| Interest Cost  | 3,67,212         | 3,37,287         |
| Actuarial (gain)/loss  | (49,080)         | (5,06,622)       |
| Benefits (paid)  | (7,13,008)       | (6,93,097)       |
| Defined Benefit obligation at year end   | 56,12,140        | 47,62,799        |
| b) Reconciliation of fair value of assets and obligations  |                  |                  |
| Present value of obligation as at end of the year  | 56,12,140        | 47,62,799        |
| Amount recognised in Balance Sheet   | 56,12,140        | 47,62,799        |
| c) Expenses recognized during the year   |                  |                  |
| Current Service Cost   | 12,44,217        | 11,51,925        |
| Interest Cost  | 3,67,212         | 3,37,287         |
| Actuarial (gain) / loss  | (49,080)         | (5,06,622)       |
| Net Cost   | 15,62,349        | 9,82,590         |
| d) Actuarial assumptions   |                  |                  |
| Mortality Table (L.I.C.)   | 2006-08          | 2006-08          |
| Discount rate (per annum) compounded   | 7.65%            | 7.71%            |
| 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, 2019  
and Statement of Profit & Loss for the year ended on that date**

**NOTE 28 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 29 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<br>M/s. Marudhara India Pvt Ltd<br>M/s. V Kumar Estates LLP<br>M/s. Wellworth Constructions Pvt Ltd.                      | M/s. Competent Investment Limited<br>M/s. Denon India Ltd.<br>M/s. St. Tropez Luxury Homes LLP                                       |
| 2 Key Management Personnel (Directors):                                | Mr. Jaspal Singh Chawla<br>Mr. Deepak Kumar<br>Mr. Vipin Sharma  | Mr. Harpal Singh Chawla<br>Mr. Bharat Bhushan Kumar<br>Mr. Aman Sharma   |
| 3 Relatives of Key Management Personnel (Directors):                   | Mr. S.P.S. Chawla<br>Mrs. Jasbir Kaur Chawla<br>Mrs. Monica Kumar<br>Mrs. Rita Kumar<br>Ms. Nikita Kumar<br>Ms. Yogyata Kumar<br>Mr. Gurpal Singh Chawla | Mrs. Gurpreet Kaur Chawla<br>Mrs. Vandana Chawla<br>Mr. Sehaj Chawla<br>Mr. Sumeen Chawla<br>Mrs. Poonam Sharma<br>Mrs. Sonia Sharma |
| 4 Subsidiary companies :   | M/s Raj Realtech Pvt. Ltd<br>M/s Wellworth Housing Pvt. Ltd.   |  |
| 5 Enterprises over which above individuals have significant influence: | M/s. Preserve Facilitiez Pvt. Ltd.<br>M/s. Seven Stars Restaurants Pvt. Ltd.<br>(Formerly Seven Stars Infrastructure Pvt. Ltd.)                          |  |

| PARTICULARS                                   | As At 31.03.2019 | As At 31.03.2018   |
|---|------------------|--------------------|
|   | Rs.              | Rs.                |
| <b>NOTE 30 <u>Directors' Remuneration</u></b> |                  |                    |
| Remuneration                                  | 72,00,000        | 72,00,000          |
|   | <u>72,00,000</u> | <u>72,00,000</u>   |
| <b>NOTE 31 <u>Payment to Auditors</u></b>     |                  |                    |
| 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>    |
| <b>NOTE 32 (a) CIF Value of Imports</b>       |                  |                    |
| Materials                                     | -                | 1,85,53,481        |
|   | <u>-</u>         | <u>1,90,56,906</u> |
| <b>(b) Expenditure in foreign currency</b>    |                  |                    |
| Tours and Travelling                          | -                | -                  |
|   | <u>-</u>         | <u>-</u>           |





| PARTICULARS | BALANCE AS ON<br>31.03.2018 | LOAN PAID | LOAN RECEIVED | BALANCE AS ON<br>31.03.2019 | BALANCE AS ON<br>31.03.2018 | CURRENT<br>ACCOUNT (DR.) | CURRENT<br>ACCOUNT (CR.) | BALANCE AS ON<br>31.03.2019 | BALANCE AS ON<br>31.03.2018 | Security Deposit<br>Paid | Security Deposit<br>Received | BALANCE AS ON<br>31.03.2019 | Directors' Remuneration |
|-------------|-----------------------------|-----------|---------------|-----------------------------|-----------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------|-----------------------------|-------------------------|
|-------------|-----------------------------|-----------|---------------|-----------------------------|-----------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------|-----------------------------|-------------------------|

## A) Relatives of + Entities where Key Management Personnel have Significant Influence

|  |              |              |              |              |              |           |           |              |              |   |                |              |   |
|--|--------------|--------------|--------------|--------------|--------------|-----------|-----------|--------------|--------------|---|----------------|--------------|---|
| Deven India Ltd.   | 37,26,30,000 | 16,72,21,301 | 16,92,78,684 | 37,46,87,383 | -            | -         | -         | -            | -            | - | -              | -            | - |
| CHAWLA ENTERPRISES LTD                                   | 9,00,00,000  | 75,93,750    | 75,93,750    | 9,00,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| GURPREET KAUR CHAWLA (LOAN A/C.)                         | 1,50,00,000  | 16,20,000    | 16,20,000    | 1,50,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| MANPREET KAUR CHAWLA (LOAN A/C.)                         | 1,44,00,000  | 15,55,200    | 15,55,200    | 1,44,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| SEHAJ CHAWLA (LOAN A/C.)                                 | 1,43,00,000  | 1,54,39,516  | 11,39,516    | -            | -            | -         | -         | -            | -            | - | -              | -            | - |
| VANDANA CHAWLA (LOAN I/A/C)                              | 1,42,00,000  | 15,33,600    | 15,33,600    | 1,42,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| SUMEEN CHAWLA (LOAN A/C.)                                | 1,40,00,000  | 15,12,000    | 15,12,000    | 1,40,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| POONAM SHARMA (U. LOAN)                                  | 2,37,00,000  | 27,72,900    | 27,72,900    | 2,37,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| SONIA SHARMA (U. LOAN)                                   | 2,37,00,000  | 27,72,900    | 27,72,900    | 2,37,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| MONICA KUMAR (LOAN A/C.)                                 | 2,14,00,000  | 25,03,800    | 25,03,800    | 2,14,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| RITA KUMAR (LOAN A/C.)                                   | 2,14,00,000  | 25,03,800    | 25,03,800    | 2,14,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| POONAM S-SHARMA  | 25,00,000    | -            | -            | 25,00,000    | -            | -         | -         | -            | -            | - | -              | -            | - |
| CHHAVI CHAWLA (LOAN A/C.)                                | -            | 4,04,884     | 1,47,04,884  | 1,43,00,000  | -            | -         | -         | -            | -            | - | -              | -            | - |
| SONIA SHARMA   | 25,00,000    | -            | -            | 25,00,000    | -            | -         | -         | -            | -            | - | -              | -            | - |
| Nikroog Buildwell Private Limited                        | -            | -            | -            | -            | 9,19,23,843  | -         | -         | 9,19,23,843  | -            | - | -              | -            | - |
| Preneve Facility Private Limited                         | -            | -            | -            | -            | 1,78,830     | 20,88,062 | 20,40,396 | 1,31,164     | 34,63,45,150 | - | 8,48,46,596.00 | 43,17,91,746 | - |
| Well Worth Construction Private Limited - Other Advances | 1,30,50,000  | 93,00,000    | -            | 37,50,000    | 4,01,00,000  | -         | -         | 4,01,00,000  | -            | - | -              | -            | - |
| Rajpreet Tech Private Limited                            | 64,27,80,000 | 21,67,33,651 | 20,94,91,094 | 63,55,37,383 | 13,22,02,673 | 20,88,062 | 20,40,396 | 13,21,55,007 | 34,63,45,150 | - | 8,48,46,596    | 43,17,91,746 | - |
| Sub Total  |              |              |              |              |              |           |           |              |              |   |                |              |   |

## B) Key Management Personnel (Directors):

|                       |              |              |              |              |   |   |   |   |   |   |   |   |           |
|-----------------------|--------------|--------------|--------------|--------------|---|---|---|---|---|---|---|---|-----------|
| AMAN SHARMA           | 4,54,20,000  | 25,50,000    | 8,05,25,000  | 12,33,95,000 | - | - | - | - | - | - | - | - | 12,00,000 |
| VIPIN SHARMA          | 3,10,70,000  | 10,50,000    | 10,19,50,000 | 13,19,70,000 | - | - | - | - | - | - | - | - | 12,00,000 |
| BHARAT BHUSHAN KUMAR  | 2,14,00,000  | 25,03,800    | 25,03,800    | 2,14,00,000  | - | - | - | - | - | - | - | - | 12,00,000 |
| DEEPAK KUMAR          | 2,14,00,000  | 25,03,800    | 25,03,800    | 2,14,00,000  | - | - | - | - | - | - | - | - | 12,00,000 |
| BHARAT BHUSHAN KUMAR  | 2,11,00,000  | 5,10,27,000  | 3,09,02,000  | 9,75,000     | - | - | - | - | - | - | - | - | 12,00,000 |
| DEEPAK KUMAR          | 2,11,00,000  | 5,10,27,000  | 3,09,02,000  | 9,75,000     | - | - | - | - | - | - | - | - | 12,00,000 |
| Aman Sharma           | 1,92,00,000  | 18,34,650    | 18,34,650    | 1,92,00,000  | - | - | - | - | - | - | - | - | 12,00,000 |
| VIPIN SHARMA          | 1,92,00,000  | 18,34,650    | 18,34,650    | 1,92,00,000  | - | - | - | - | - | - | - | - | 12,00,000 |
| HARPREET SINGH CHAWLA | 1,35,00,000  | 14,58,000    | 14,58,000    | 1,35,00,000  | - | - | - | - | - | - | - | - | 12,00,000 |
| Jagpal Singh Chawla   | -            | -            | -            | -            | - | - | - | - | - | - | - | - | 12,00,000 |
| Sub Total             | 21,33,90,000 | 11,57,86,900 | 25,44,11,900 | 35,20,15,000 | - | - | - | - | - | - | - | - | 72,00,000 |



Notes annexed to and forming part of Balance Sheet as at 31st March, 2019  
and Statement of Profit & Loss for the year ended on that date

(c) Earnings in foreign currency

Advance against sale of Flats

|  |           |
|--|-----------|
|  | 40,00,856 |
|  | 40,00,856 |

- NOTE 33 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 34 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 and the VAT department has completed the assessment and demanded amount has been paid in full for period till 31st March, 14. The assessment for subsequent year is pending / in progress, as on the close of the year, accordingly such VAT amount has been demanded from the customers for subsequent years. Adjustment, if any, arising out of the proceedings will be provided on finality.
- NOTE 35 There are some legal cases pending against the Company. The Management is of the view that these cases would not impact the going concern status of the Company and also would not be prejudicial against the interest of internal as well as external stakeholders.
- NOTE 36 Operating Cycle  
The Company's normal operating cycle in respect of business operations is based on 36 to 60 months depending on the Project's nature and its technical evaluation. Assets and Liabilities have been classified into current and non-current based on the operating cycle of business operations.
- NOTE 37 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 38 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 39 Some of the parties balances are subject to confirmations.
- NOTE 40 PREVIOUS YEAR FIGURES  
Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.

As per our Report of even date

For M/s RAJNISH VIRMANI & Co.

Chartered Accountants

Firm Registration No: 033422N

For and on behalf of the Board of Directors



RAJNISH VIRMANI  
Proprietor

Membership No: 081664

UDIN: 19081664AAAAA Z1016

Aman Sharma  
(Director)  
(DIN: 00381637)

Bharat Bhushan Kumar  
(Director)  
(DIN: 00064687)

Harpal Singh Chawla  
(Director)  
(DIN: 00516241)

Eshu Aneja  
(Company Secretary)  
(Membership No. A4737)

Place: New Delhi

Date: 20th September 2019