

# **HOMETOWN PROPERTIES PRIVATE LIMITED**

## **ANNUAL REPORT 2016-17**



**SANJEEV KAPOOR & ASSOCIATES**

**CHARTERED ACCOUNTANT**

**+91-11-26250624,41645957**



**Auditor's Report**

**To the Members of Hometown Properties Private Limited**

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**Report on the Standalone Financial Statements**

We have audited the attached stand alone financial statements of **Hometown Properties Private Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2017, the statement of Profit & Loss Account, the Cash Flow Statement for the year ended on that date and a summary of the significant accounting policies and notes annexed thereto. These financial statements are the responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

**Management's Responsibility 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 and presentation of these stand alone 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 referred to in section 133 of the Act, read with relevant rules there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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



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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of its cash flows for the year ended on that date.

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

- 1. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2. As required by section 143(3) of the Act, we report that;
  - i) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- ii) 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;
- iii) the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- iv) in our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- v) on the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act;
- vi) our separate report on adequacy of internal control system and operating effectiveness of such controls is enclosed in Annexure – I;
- vii) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) the Company does not have any material ongoing pending litigation, therefore there is no impact on its financial position; Refer note no 19 to the financial statements;
  - b) the Company does not have any material foreseeable losses on long-term contracts including derivative contracts, therefore no provisions for the same has been made in the financial statements;
  - c) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

- d) the company has provided requisite disclosures in its financial statement as to holding as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company; Refer note no 14 to the financial statements.

**For Sanjeev Kapoor & Associates**

Chartered Accountants

F No. 021480N



**Sanjeev Kapoor**

Proprietor

M. No. 090195



Place : New Delhi

Dated : July 01, 2017



**Annexure referred to in our Independent Auditor's Report of even date to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2017.**

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- (i) As the company does not have fixed assets during the year paragraph 3(i) of the Order is not applicable.
- (ii) As the company does not have inventory during the year paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanation given to us, the company has granted unsecured loans to one party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) The loans granted to the body corporate listed in the register maintained under section 189 of the Act are interest free and are not prejudicial to the interest of the Company.
  - (b) The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal and interest.
  - (c) There are no amounts overdue for more than ninety days in respect of the loans granted to the body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted loans, secured or unsecured, made investments, guarantees and given security under the purview of Sections 185 & 186 of the Companies Act, 2013, consequently paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from public within the meaning of section 73, 74, 75 & 76 of the Act and the Rules framed there under to the extent notified.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act.
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the company, in our opinion, the company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, wealth tax, duty of customs, value added tax, employee state insurance, sales tax, service tax, duty of excise, cess (to the extent applicable) and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, duty of customs, value added tax, sales tax, service tax, duty of excise and cess (to the extent applicable) which have not been deposited on account of any disputes.
- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year, consequently the paragraph 3(viii) of the Order is not applicable.
- (ix) The Company has not raised any moneys by way of public offer (including debt instruments) and term loans during the year, consequently paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) The provisions of section 197 read with schedule V to the Act for payment of managerial remuneration are not applicable to the Company.
- (xii) As the Company is not a Nidhi Company to which the provisions of Nidhi Rules, 2014 are applicable, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the transactions with related parties are in compliance with the Sections 177 & 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations given to us, no preferential allotment of share or fully or partly convertible debentures, have been made by the company during the financial year. Accordingly the provisions of paragraph 3 (xiv) of the Order are not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him during the year, consequently paragraph 3(xv) of the Order is not applicable.



(xvi) As the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934, paragraph 3 (xvi) of the Order is not applicable.

For **Sanjeev Kapoor & Associates**

Chartered Accountants

F.No. 021480N



**Sanjeev Kapoor**

Proprietor

M. No. 090195



Place : New Delhi

Dated : July 01, 2017



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

We have audited the internal financial controls over financial reporting of **Hometown Properties Private Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

**Managements’ Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the 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 judgment, 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sanjeev Kapoor & Associates**

Chartered Accountants

Firm No. 21480N

  
**Sanjeev Kapoor**

Proprietor

M. No. 090195



Place : New Delhi

Dated : July 01, 2017



# HOMETOWN PROPERTIES PRIVATE LIMITED

## Balance Sheet as at March 31, 2017

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	130,000,000	130,000,000
Reserves and Surplus	3	<u>(1,535,315)</u>	<u>(1,535,315)</u>
		<b>128,464,686</b>	<b>128,464,685</b>
<b>Non - Current Liabilities</b>			
Long Term Borrowings	4	<b>13,463,895</b>	<b>11,727,115</b>
<b>Current Liabilities</b>			
Other Current Liabilities	5	<b>132,193</b>	<b>176,068</b>
		<u><b>142,060,774</b></u>	<u><b>140,367,868</b></u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Bank Balances	6	5,736,482	5,439,090
Short-Term Loans and Advances	7	136,174,138	133,220,946
Other Current Assets	8	<u>150,154</u>	<u>1,707,832</u>
		<b>142,060,773</b>	<b>140,367,868</b>
		<u><b>142,060,773</b></u>	<u><b>140,367,868</b></u>

Notes 1 to 20 form part of the financial statements

### Significant Accounting Policies 1

As per our report of even date annexed

**For Sanjeev Kapoor & Associates**

Chartered Accountants

F. No. 21480N

*Sanjeev Kapoor*  
Sanjeev Kapoor

Proprietor

M.No. 090195



**For & On behalf of Board of Directors**

*Ashok Gupta*

**Ashok Gupta**  
Director

DIN: 00220331

*R.D. Gupta*

**R.D. Gupta**  
Director

DIN: 00220333

Place: New Delhi

Date : July 01, 2017

# HOMETOWN PROPERTIES PRIVATE LIMITED

## Profit and Loss Account for the year ended March 31, 2017

Particulars	Notes	For the Y.E March 31 2017	For the Y.E March 31 2016
<b>INCOME</b>			
Other Income	9	5,853	-
<b>Total Revenue</b>		<b>5,853</b>	<b>-</b>
<b>EXPENSES</b>			
Finance Cost	10	167,214	926
Other Operating & Administrative Expenses	11	62,775	289,300
<b>Total Expenses</b>		<b>229,989</b>	<b>290,226</b>
<b>Profit/(Loss) Before Tax</b>		<b>(224,136)</b>	<b>(290,226)</b>
Tax Expense:			
- Current Tax		-	-
- Deferred Tax Asset / (Liability) Net		-	-
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>(224,136)</b>	<b>(290,226)</b>
<b>Earning per Equity Share :</b>			
Basic	12	(0.02)	(0.02)
Diluted	12	(0.02)	(0.02)
(Face value Rs 10/- per share)			

Notes 1 to 20 form part of the financial statements

### Significant Accounting Policies

1

As per our report of even date annexed

**For Sanjeev Kapoor & Associates**

Chartered Accountants

F. No. 21480N

*Sanjeev Kapoor*

**Sanjeev Kapoor**  
Proprietor

M.No. 090195



**For & On behalf of Board of Directors**

*Ashok Gupta*

**Ashok Gupta**  
Director

DIN: 00220331

*R.D. Gupta*

**R.D. Gupta**  
Director

DIN: 00220333

Place: New Delhi

Date : July 01, 2017



# HOMETOWN PROPERTIES PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2017

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Cash Flow from Operating Activities</b>		
Profit / (Loss) Before Tax	(224,136)	(290,226)
Adjustments for :-		
Depreciation	-	-
Finance Cost	167,214	926
Loss/(Profit) on Sale of Asset	-	-
Amount Transfer to Project Cost	224,136	-
<b>Net Cash (utilized)/generated from Operating Activities (before working capital changes)</b>	<b>167,214</b>	<b>(289,300)</b>
<b>Movement in Working Capital</b>		
(Increase)/ Decrease in Inventories, Trade Receivables, Short Term Loans and Advances and Other Current Assets	(1,395,514)	26,904,239
Increase/(Decrease) in Trade Payables Short Term Provisions and Other Current Liabilities	(43,875)	(25,593,797)
<b>Net changes in working capital</b>	<b>(1,439,389)</b>	<b>1,310,442</b>
Provision for Income Tax	-	-
Prior Period Adjustments	-	2,495
<b>Net Cash (utilized)/generated from Operating Activities (A)</b>	<b>(1,272,175)</b>	<b>1,023,637</b>
<b>B Cash flow from Investing Activities</b>		
Sale / (Purchase) of Fixed Assets (Net)	-	-
(Increase)/ Decrease in Long Term Loans & Advances	-	-
<b>Net Cash (utilized)/generated Investing Activities (B)</b>	<b>-</b>	<b>-</b>
<b>C Cash flow from Financing Activities</b>		
Increase/(Decrease) in Short Term Borrowings	-	-
Issue of Share Capital	-	-
Increase / (Decrease) in Long Term Liabilities	1,736,780	(1,052,885)
Finance Cost	(167,214)	(926)
<b>Net Cash (utilized)/generated from Financing Activities (C)</b>	<b>1,569,566</b>	<b>(1,053,811)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>297,391</b>	<b>(30,174)</b>
Cash and Cash Equivalents at the beginning of the year	5,439,090	5,469,264
Cash and Cash Equivalents at the end of the year	5,736,482	5,439,090
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>297,391</b>	<b>(30,174)</b>

As per our report of even date annexed

For Sanjeev Kapoor & Associates

Chartered Accountants

F. No. 21480N

Sanjeev Kapoor

Proprietor

M.No. 090195



Place: New Delhi

Date : July 01, 2017

For & on behalf of Board of Directors

Ashok Gupta  
Director

DIN: 00220331

R D Gupta  
Director

DIN: 00220333

# **HOMETOWN PROPERTIES PRIVATE LIMITED**

**Notes forming part of the Balance Sheet and the Profit and Loss Account for the year ended March 31, 2017**

## **1) SIGNIFICANT ACCOUNTING POLICIES**

### **a) Accounting Convention**

The financial statements are prepared in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an on-going basis.

### **b) Use of Estimates**

The preparation of Financial Statement requires the management to make certain estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates.

### **c) Fixed Assets and Depreciation**

- i. Fixed assets are stated at cost of acquisition, construction less accumulated depreciation. The cost comprises the purchase price and any other attributable cost of bringing the assets to working condition for its intended use.
- ii. Intangible assets are stated at cost of acquisition less accumulated amortization.
- iii. In the absence of fixed assets in the company no depreciation has been provided in the books of accounts.



**d) Revenue Recognition**

All revenues, costs, assets & liabilities are accounted for on accrual basis.

**e) Foreign Currency Transactions**

- i. Foreign currency transactions are recorded at the rate prevailing on the date of transaction. Foreign currency monetary items other than long term outstanding as at the Balance Sheet date are restated at the closing rate prevailing on such date.
- ii. The exchange rate differences arising out of subsequent settlements are dealt in the Profit & Loss Account

**f) Employee Benefits**

Employee benefits include gratuity, compensated absences, long service award, contribution to provident fund and employee's state insurance.

**g) Investments**

Long term investments are valued at cost. The provision for diminution is being made only when the diminution is permanent.

**h) Leases**

Where the company is the lessee:

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the profit & loss account on straight line basis over the leased term.

Where the company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the profit and loss account on straight line basis over the lease term. Cost, including depreciation is recognized as an expense in the profit and loss account on straight line basis over the lease term.

**i) Taxation**

- i. Income Tax comprises of Current Tax and net changes in Deferred Tax Assets or Liability during the period. Current Tax is determined as the amount of tax payable in respect of taxable income for the period as per the enacted Tax Regulations.
- ii. Deferred Tax Assets and Liabilities are recognized for the future tax consequences of timing differences between the book profit and tax profit. Deferred Tax Assets and Liabilities on other than carry forward losses and unabsorbed depreciation under tax laws are recognized when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognized when it is virtually certain that there will be future taxable profit. Deferred Tax Assets and Liabilities are measured using substantively enacted tax rates. The effect on Deferred Tax Assets and Liabilities of a change in tax rates is recognized in the Profit & Loss Account in the period of substantive enactment of the change.
- iii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the future period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company.

**j) Impairment**

The carrying values of assets of each cash-generating unit at each Balance Sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at discounting the estimated future cash flows to their present value based on an appropriate discount factor.



**k) Provisions, Contingent Liabilities and Contingent Assets**

- i. Provisions are recognized for liabilities when the Company has a present obligation as a result of past events, a probable outflow of resources is expected to settle the obligation and the amount can be reliably estimated.
- ii. Contingent liability is disclosed in the case of :  
  
a present obligation from the past event , when it is not probable that an outflow of resources will be required to settle the obligation ;  
  
a possible obligation , unless the possibility of outflow is remote .
- iii. Contingent assets are not recognized in the financial statements. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**l) Earnings per Share**

- i. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders of the Company by the weighted average number of shares outstanding during the year.
- ii. Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholder of the Company by the weighted average number of shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

**m) Cash Flow Statement :**

- i. Cash Flows are reported using the indirect method, whereby Profit/ (Loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
- ii. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2 Share Capital

(a) Share Capital of the Company consist of following:

(Amount in Rs.)		
Particulars	FY 2016-17	FY 2015 - 16
<b>Authorised :</b>		
13,000,000 (P.Y. 13,000,000) Equity shares of Rs. 10/- each	130,000,000	130,000,000
<b>Issued, Subscribed &amp; Paid up:</b>		
13,000,000 (P.Y. 13,000,000) Equity shares of Rs. 10/- each	130,000,000	130,000,000

(b) The movement in Shareholding of the Company is as under :

(Number of Shares)		
Particulars	FY 2016-17	FY 2015 - 16
Opening Balance	13,000,000	13,000,000
Add : Allotment during the Year	-	-
<b>Closing Balance</b>	<b>13,000,000</b>	<b>13,000,000</b>

(c) Detail of Shareholders holding more than 5% Share Capital of face value of Rs. 10/- each

Particulars	FY 2016-17	FY 2015 - 16
	No. of Shares/ % Holding	No. of Shares/ % Holding
R.D Gupta	4,605,000 35.42%	4,605,000 35.42%
Ashok Gupta	8,395,000 64.58%	8,395,000 64.58%



### 3 Reserves and Surplus

The movement in Reserves and Surplus are as under:

(Amount in Rs.)		
Particulars	FY 2016-17	FY 2015 - 16
<b>Profit and Loss Account</b>		
Opening Balance	(1,535,315)	(1,247,584)
Add : Profit/(Loss) for the year	(224,136)	(290,226)
Less: Prior Period adjustment	-	2,495
Less: Amount Transfer to Pre-Operative Exp.	224,136	-
<b>Total</b>	<b>(1,535,315)</b>	<b>(1,535,315)</b>

### 4 Long-Term Borrowings

(Amount in Rs.)		
Particulars	FY 2016-17	FY 2015 - 16
<b>Unsecured Loan</b>		
<b>From Related Parties</b>		
- From Directors	12,436,615	11,727,115
<b>From Other than Related Parties</b>		
- From Companies	1,027,280	-
<b>Total</b>	<b>13,463,895</b>	<b>11,727,115</b>

### 5 Other Current Liabilities

(Amount in Rs.)		
Particulars	FY 2016-17	FY 2015 - 16
Expenses Payable	132,193	176,068
<b>Total</b>	<b>132,193</b>	<b>176,068</b>

## 6 Cash and Bank Balances

(Amount in Rs.)

Particulars	FY 2016-17	FY 2015 - 16
<b>Cash and Cash Equivalent</b>		
Cash on Hand	279,550	19,550
Balances with Banks	44,932	7,540
<b>Other Bank Balances</b>		
<i>Fixed Deposits with Banks</i>		
In Deposits with Bank maturing after 3 months from the date of placement	5,412,000	5,412,000
<b>Total</b>	<b>5,736,482</b>	<b>5,439,090</b>

Fixed Deposits have been pledged towards Bank Guarantees issued by the Indian Overseas Bank favouring The Governor of Haryana, acting through The Director, Town & Country Planning Department, Haryana; towards Internal Development Works & External Development Charges for obtaining a licence for setting up commercial colony in Haryana.

## 7 Short-Term Loans and Advances

(Amount in Rs.)

Particulars	FY 2016-17	FY 2015 - 16
<b>Unsecured, considered good :</b>		
<b>To Related Parties</b>		
Other Advances	16,302,378	13,089,733
<b>To Other Than Related Parties</b>		
Project Advance	119,827,038	120,007,438
Income Tax	44,722	123,775
<b>Total</b>	<b>136,174,138</b>	<b>133,220,946</b>



## 8 Other Current Assets

(Amount in Rs.)

Particulars	FY 2016-17	FY 2015 - 16
Accrued Interest	150,154	1,707,832
<b>Total</b>	<b>150,154</b>	<b>1,707,832</b>

## 9 Other Income

(Amount in Rs.)

Particulars	FY 2016-17	FY 2015 - 16
Interest Income	404,536	633,637
Interest on IT Refund	5,853	
Less: Tfd to Cost of Project	(404,536)	(633,637)
<b>Total</b>	<b>5,853</b>	<b>-</b>

## 10 Finance Cost

(Amount in Rs.)

Particulars	FY 2016-17	FY 2015 - 16
Bank Charges	167,214	926
<b>Total</b>	<b>167,214</b>	<b>926</b>

## 11 Other Operating & Administrative Expenses

(Amount in Rs.)

Particulars	FY 2016-17	FY 2015 - 16
<i>Payment to Auditors:</i>		
- Audit Fees	34,500	34,500
Legal & Professional Charges	28,275	254,800
<b>Total</b>	<b>62,775</b>	<b>289,300</b>

12) **Earnings Per Share**

Particulars	(Amount in Rs.)	
	FY 2016-17	FY 2015-16
Net Profit/(Loss) after Tax	(224,136)	(290,226)
Weighted Average No. of shares	13,000,000	13,000,000
Nominal Value per share (in Rs.)	10	10
Basic Earnings per share (in Rs.)	(0.02)	(0.02)
Diluted Earnings per share (in Rs.)	(0.02)	(0.02)

13) **Related Party Transactions**

Related Party disclosures as required under the Accounting Standard "18" on "Related Party Disclosures" are given below:

i) **Nature & Relationship with Related Parties:**

RELATIONSHIP	NAME OF PARTIES
Key Management Personnel	Ashok Gupta - Director
	R.D Gupta - Director
Enterprises under control of Key Management Personnel	Mascot Buildcon Pvt. Ltd.
	Veselka Estate Pvt. Ltd.

ii) **Transactions during the year with related parties are as follows:**

Nature of Transaction	Total	
	FY 2016-17	FY 2015-16
Key Management Personnel	-	-
Enterprises under control of Key Management Personnel	-	-
<i>Balance Receivable at the End of the Year</i>	<b>16,302,378</b>	<b>13,089,733</b>
<i>Balance Payable at the End of the Year</i>	<b>12,436,615</b>	<b>11,727,115</b>



**14) Specified Bank Notes**

In accordance with Notification dated 30<sup>th</sup> March 2017 issued by the Ministry of Corporate Affairs, the details of Specified Bank Notes (SBN) held and transacted during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 in the prescribed table is disclosed as under:

	<b>SBNs</b>	<b>Other denomination notes</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	--	279,550	279,550
(+) Permitted receipts	--	--	--
(-) Permitted payments	--	--	--
(-) Amount deposited in Banks	--	--	--
Closing cash in hand as on 30.12.2016	--	279,550	279,550

**15) Foreign Currency Transaction**

- (a) Expenditure in Foreign Currency : Nil
- (b) Earnings in Foreign Currency : Nil

**16) Deferred Tax Asset/ Liability**

In accordance with Accounting Standard 22, the company has not recognized any Deferred Tax Asset/ Liability for the year.

**17) Segmental Reporting**

As the company's business activity falls within a single primary business segment and is a single geographical segment, the disclosure requirement of Accounting Standard (AS 17) "Segment Reporting" are not applicable.

- 18)** Provision for retirement benefits has not been made in accordance with the Accounting Standard - 15 (Revised 2005) on "Employee Benefits" as per the Payment of Gratuity Act, 1972 on actuarial basis as the same is not applicable to the company.

- 19)** The Company does not have any pending litigations during the relevant financial year.

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

**For Sanjeev Kapoor & Associates**

Chartered Accountants

Firm No. 21480N



**Sanjeev Kapoor**

Proprietor

M. No. 90195



**Ashok Gupta**

Director

DIN: 00220331



**R D Gupta**

Director

DIN: 00220333

Place: New Delhi

Date : July 01, 2017