

HOMETOWN PROPERTIES PRIVATE LIMITED

ANNUAL REPORT

2018-19



SANJEEV KAPOOR & ASSOCIATES

CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To

The Members of Hometown Properties Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Hometown Properties Private Limited** ("**the Company**"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss, 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 Companies Act, 2013 ("**the Act**") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Accounting Standards specified under section 133 of the Act, of the state of affairs of the company as at March 31st 2019, its loss and cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 other information. The other information comprises the information included in the Board's Report which we obtained prior to the date of this auditor's report.

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 in the 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.

Management's Responsibility for the 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 flow 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 implementation and maintenance of 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 statement 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.

That Board of Directors is 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:

1. 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the operating effectiveness of the entity's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.

Report on Other Legal and Regulatory Requirements

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.

As required by Section 143(3) of the Act, we report that:

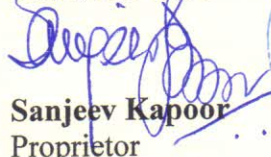
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- (c) the company has no branch offices whose accounts are audited by branch auditors;
- (d) the Balance Sheet and the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (e) 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;
- (f) 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;
- (g) company's turnover as per last audited financial statements is less than Rs.50 Cr and its borrowings from banks and financial institutions at any time during the year is less than Rs. 25 Cr, the company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and
- (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:
 - i. the company does not have any material ongoing pending litigation, therefore there is no impact on its financial position; Refer note no 18 to the financial statements:

- ii. the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there are no amounts required to be transferred to the Investor Education and Protection Fund by the company.

For **Sanjeev Kapoor & Associates**

Chartered Accountants

F No. 021480N



Sanjeev Kapoor

Proprietor

M. No. 090195

UDIN: 19090195AAAABY6816



Place: New Delhi

Date: September 06, 2019

Annexure "A" as 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, 2019

- (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 loan granted to the body corporate listed in the register maintained under section 189 of the Act is interest free and is 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, goods & services 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, goods & services 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

UDIN: 19090195AAAA8Y6816



Place: New Delhi

Date: September 06, 2019

HOMETOWN PROPERTIES PRIVATE LIMITED

Balance Sheet as at March 31, 2019

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	130,000,000	130,000,000
Reserves and Surplus	3	<u>(1,535,315)</u>	<u>(1,535,315)</u>
		128,464,685	128,464,685
Non - Current Liabilities			
Long Term Borrowings	4	29,903,195	14,850,895
Current Liabilities			
Other Current Liabilities	5	4,403,030	49,468
		<u>162,770,910</u>	<u>143,365,048</u>
ASSETS			
Current Assets			
Cash and Bank Balances	6	22,910,920	5,735,485
Short-Term Loans and Advances	7	138,532,126	137,119,589
Other Current Assets	8	<u>1,327,864</u>	<u>509,975</u>
		162,770,910	143,365,048
		<u>162,770,910</u>	<u>143,365,048</u>

Notes 1 to 19 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. 021480N

Sanjeev Kapoor

Proprietor

M.No. 090195

UDIN : 19090195AAAABY6816



For & On behalf of Board of Directors

Ashok Gupta

Director

DIN: 00220331

R.D. Gupta

Director

DIN: 00220333

Place: New Delhi

Date : September 06, 2019

HOMETOWN PROPERTIES PRIVATE LIMITED

Profit and Loss Account for the year ended March 31, 2019

Particulars	Notes	For the Y.E March 31 2019	For the Y.E March 31 2018
INCOME			
Other Income	9	3,236	-
Total Revenue		<u>3,236</u>	<u>-</u>
EXPENSES			
Finance Cost	10	308,208	24,502
Other Operating & Administrative Expenses	11	142,684	60,770
Total Expenses		<u>450,892</u>	<u>85,272</u>
Profit/(Loss) Before Tax		(447,656)	(85,272)
Tax Expense:			
- Current Tax		-	-
- Deferred Tax Asset / (Liability) Net		-	-
PROFIT/(LOSS) AFTER TAX		<u>(447,656)</u>	<u>(85,272)</u>
Earning per Equity Share :			
Basic	12	(0.03)	(0.01)
Diluted	12	(0.03)	(0.01)
(Face value Rs 10/- per share)			

Notes 1 to 19 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. 021480N

Sanjeev Kapoor

Sanjeev Kapoor

Proprietor

M.No. 090195

UDIN: 1909095AAAA8Y6816



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 : September 06, 2019

HOMETOWN PROPERTIES PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash Flow from Operating Activities		
Profit / (Loss) Before Tax	(447,656)	(85,272)
Adjustments for :-		
Depreciation	-	-
Finance Cost	308,208	24,502
Amount Transferred to Project Cost	447,656	85,272
Net Cash (utilized)/generated from Operating Activities (before working capital changes)	308,208	24,502
Movement in Working Capital		
(Increase)/ Decrease in Inventories, Trade Receivables, Short Term Loans and Advances and Other Current Assets	(2,230,427)	(1,305,272)
Increase/(Decrease) in Trade Payables, Short Term Provisions and Other Current Liabilities	4,353,562	(82,725)
Net changes in working capital	2,123,135	(1,387,997)
Provision for Income Tax	-	-
Prior Period Adjustments	-	-
Net Cash (utilized)/generated from Operating Activities (A)	2,431,343	(1,363,495)
B Cash flow from Investing Activities		
Sale / (Purchase) of Fixed Assets (Net)	-	-
(Increase)/ Decrease in Long Term Loans & Advances	-	-
Net Cash (utilized)/generated Investing Activities (B)	-	-
C Cash flow from Financing Activities		
Increase/(Decrease) in Short Term Borrowings	-	-
Issue of Share Capital	-	-
Increase / (Decrease) in Long Term Liabilities	15,052,300	1,387,000
Finance Cost	(308,208)	(24,502)
Net Cash (utilized)/generated from Financing Activities (C)	14,744,092	1,362,498
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	17,175,435	(997)
Cash and Cash Equivalents at the beginning of the year	5,735,485	5,736,482
Cash and Cash Equivalents at the end of the year	22,910,920	5,735,485
Net Increase / (Decrease) in Cash & Cash Equivalents	17,175,435	(997)

As per our report of even date annexed

For Sanjeev Kapoor & Associates

Chartered Accountants

F. No. 021480X

Sanjeev Kapoor

Proprietor

M.No. 090195

For & on behalf of Board
of Directors

Ashok Gupta

Director

DIN: 00220331

R D Gupta

Director

DIN: 00220333

Place: New Delhi

Date : September 06, 2019

HOMETOWN PROPERTIES PRIVATE LIMITED

Notes forming part of the Balance Sheet and the Profit and Loss Account for the year ended March 31, 2019

Corporate information

Hometown Properties Private Limited ("the Company") was incorporated in India on October 27, 2010 having its registered office at 294/1 Vishwakarma Colony, Opp. ICD MB Road, Lal Kuan, New Delhi, South Delhi DL 110044 IN. The principal activities of the company are to carry on the business of Real Estate.

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 are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use. Where a change in accounting policy is necessitated due to changed circumstances, detailed disclosures to that effect along with the impact of such change is duly disclosed in the financial statements by the management.

b) Use of Estimates

The preparation of the financial statements in conformity with accounting standards requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenditure during the year. Examples include provisions for doubtful debts, provision for employee benefits, provision for taxation, useful lives of depreciable assets, provision for impairment, provision for contingencies, provision for warranties/ discounts etc. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ from those estimates. The effect of changes in accounting estimates are reflected in the financial statements in the period in which results are known and, if material, are disclosed in the financial statements.

c) **Revenue Recognition**

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

d) **Property, Plant & Equipment and Depreciation**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Depreciation on property, plant and equipment is provided using written down value method.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

e) **Intangible asset**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

f) **Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of purchase cost and other overheads, net of recoverable taxes, incurred in bringing them to their respective present location and condition.

g) **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating 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.

h) **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

i) Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with the notified Accounting Standard 15 - Employee Benefits.

i. Provident fund

The Company makes contribution to statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

ii. Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses are determined.

j) 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.

k) Investments

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

l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution, repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

m) 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.

n) 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.

o) 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.

p) 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 2018-19	FY 2017-18
Authorised :		
13,000,000 (P.Y. 13,000,000) Equity shares of Rs. 10/- each	130,000,000	130,000,000
Issued, Subscribed & Paid up:		
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 2018-19	FY 2017-18
Opening Balance	13,000,000	13,000,000
Add : Allotment during the Year	-	-
Closing Balance	13,000,000	13,000,000

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

Particulars	FY 2018-19	FY 2017-18
	No. of Shares/ % Holding	No. of Shares/ % Holding
Mascot Buildcon Pvt. Ltd	-	12,999,999
Mascot Buildcon Pvt. Ltd. through Ashok Gupta	-	1
	0.00%	100%
R.D Gupta	4,605,000 35.42%	- 0%
Ashok Gupta	8,395,000 64.58%	- 0%

3 Reserves and Surplus

The movement in Reserves and Surplus are as under:

(Amount in Rs.)		
Particulars	FY 2018-19	FY 2017-18
Profit and Loss Account		
Opening Balance	(1,535,315)	(1,535,315)
Add : Profit/(Loss) for the year	(447,656)	(85,272)
Less: Amount Transfer to Pre-Operative Exp.	447,656	85,272
Total	(1,535,315)	(1,535,315)

4 Long-Term Borrowings

(Amount in Rs.)		
Particulars	FY 2018-19	FY 2017-18
Unsecured Loan		
From Related Parties		
- From Directors	28,798,915	13,746,615
From parties other than Related Parties		
- From Companies	1,104,280	1,104,280
Total	29,903,195	14,850,895

5 Other Current Liabilities

(Amount in Rs.)		
Particulars	FY 2018-19	FY 2017-18
Advance against Project	4,323,562	-
Expenses Payable	79,468	49,468
Total	4,403,030	49,468

6 Cash and Bank Balances

(Amount in Rs.)		
Particulars	FY 2018-19	FY 2017-18
Cash and Cash Equivalent		
Cash on Hand	279,410	279,550
Balances with Banks	94,510	43,935
Other Bank Balances		
Fixed Deposits with Banks		
In Deposits with Bank maturing after 3 months from the date of placement	22,537,000	5,412,000
Total	22,910,920	5,735,485

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

7 Short-Term Loans and Advances

(Amount in Rs.)		
Particulars	FY 2018-19	FY 2017-18
Unsecured, considered good		
To Related Parties		
Other Advances	19,855,578	17,522,378
To parties other Than Related Parties		
Project Advance	118,484,760	119,512,509
Income Tax	191,788	84,702
Total	138,532,126	137,119,589

8 Other Current Assets

(Amount in Rs.)		
Particulars	FY 2018-19	FY 2017-18
Accrued Interest	1,327,864	509,975
Total	1,327,864	509,975

9 Other Income

(Amount in Rs.)		
Particulars	FY 2018-19	FY 2017-18
Interest Income	1,475,404	399,801
Interest on IT Refund	3,236	-
Less: Tfd to Cost of Project	(1,475,404)	(399,801)
Total	3,236	-

10 Finance Cost

(Amount in Rs.)		
Particulars	FY 2018-19	FY 2017-18
Bank Charges	308,208	24,502
Total	308,208	24,502

11 Other Operating & Administrative Expenses

(Amount in Rs.)		
Particulars	FY 2018-19	FY 2017-18
<i>Payment to Auditors:</i>		
- Audit Fees	30,000	35,400
Legal & Professional Charges	25,000	25,370
Filing Fees	40,120	-
Misc. Expenses	47,564	-
Total	142,684	60,770

12) **Earnings Per Share**

Particulars	(Amount in Rs.)	
	FY 2018-19	FY 2017-18
Net Profit/(Loss) after Tax	(447,656)	(85,272)
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.)	(0.03)	(0.01)
Diluted Earnings per share (in Rs.)	(0.03)	(0.01)

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.

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

Nature of Transaction	Total	
	FY 2018-19	FY 2017-18
Key Management Personnel	-	-
Enterprises under control of Key Management Personnel	-	-
Balance receivable at the end of the year	19,855,578	17,522,378
Balance payable at the end of the year	28,798,915	13,746,615

14) **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.

- 15) 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.

16) **Deferred Tax Asset/ Liability**

In accordance with Accounting Standard 22 and in exercise of prudence, as there is no virtual certainty of future profits, the company has not recognized any Deferred Tax Asset/ Liability for the year.

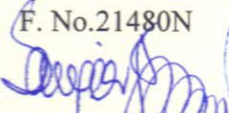
17) **Foreign Currency Transaction**

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

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

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

For Sanjeev Kapoor & Associates
Chartered Accountants
F. No. 21480N


Sanjeev Kapoor
Proprietor

M No. 90195

UDIN: 19090195AAAABY6816



For & On Behalf of the Board


Ashok Gupta

Director

DIN: 00220331


R D Gupta

Director

DIN: 00220333

Place: New Delhi

Date : September 06, 2019