



Independent Auditor's Report

To

The Members of Elan Limited

Report on the Financial Statements

We have audited the accompanying financial statements **ELAN LIMITED** ("the company"), which comprises the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and a summary of significant accounting policies and other explanatory information.

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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 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

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E-mail : atul.gupta@aprafirm.com, caarun@rediffmail.com, Website : www.servicetax.net, www.aprafirm.com

● DELHI ● HARYANA ● HIMACHAL PRADESH

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 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 financial statements.

Opinion

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 31 March 2017 and its profit/ (Loss) for the year ended on that date.

Emphasis of Matter

We draw our attention regarding certain debit or credit balances which are subject to confirmation/ Reconciliation and consequential adjustment, if any required.

Our opinion is not qualified in respect of this matter.

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, we give in the "**Annexure-A**" 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:
 - 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 appears from our examination of those books.
 - c) Balance Sheet and the Statement of Profit and Loss 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 written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f) The Company has adequate internal financial controls system in place which is effectively operated throughout the year.
- g) With respect to the other matters included in the Auditor's Report and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative;
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

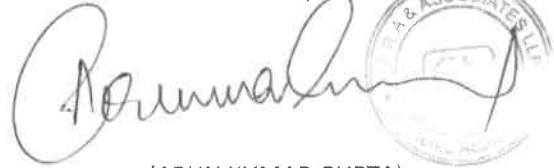
Place- New Delhi

Date- 01-09-2017

For A P R A & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

F.R.N- 011078N / N500064



(ARUN KUMAR GUPTA)

F.C.A

M.NO. - 089657

Annexure- A to the Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- ii. According to the information and explanation given to us, there is no such type of inventory which should be physically verified at reasonable interval by the management. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. According to the information and explanation given to us, the company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 .
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and securities in respect of which provisions of section 186 of the Companies Act, 2013 have to be complied with.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Thus, paragraph 3(vi) of the Order is not applicable.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.



According to the information and explanations given to us, the following undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable. Further, the following dues have been duly paid before due date of furnishing of return of income under Income Tax Act, 1961.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates
Service Tax Act	Service Tax	2528547.00	FY 2015-16
Service Tax Act	Service Tax	2383436.00	FY 2016-17
Service Tax Act	Service Tax (RC)	2,66,918.00	FY 2015-16
Service Tax Act	Service Tax (RC)	98,787.00	FY 2016-17
Finance Act, 2015	Swatch Bharat Cess	122405.00	FY 2015-16
Finance Act, 2015	Swatch Bharat Cess	175455.00	FY 2016-17
Income Tax Act	TDS	5968723.00	FY 2016-17

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

- viii. According to the information and explanations given to us and on the basis of our examination of the records, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place- New Delhi

Date- 01-09-2017

For A P R A & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

F.R.N- 011078N / N500064



(ARUN KUMAR GUPTA)

F.C.A

M.NO.- 089657

ELAN LIMITED
BALANCE SHEET AS AT 31st MARCH' 2017

<u>I.</u>	<u>EQUITY AND LIABILITIES</u>	<u>NOTE NO.</u>	<u>AS AT</u>	<u>AS AT</u>
			<u>31.03.2017</u>	<u>31.03.2016</u>
			<u>Amount (in Rs.)</u>	<u>Amount (in Rs.)</u>
1	<u>SHAREHOLDER'S FUNDS</u>			
	a) SHARE CAPITAL	3	5000000.00	5000000.00
	b) RESERVE & SURPLUS	4	-466791937.07	-305220195.93
2	<u>NON-CURRENT LIABILITIES</u>			
	a) LONG-TERM BORROWINGS	5	31369085.00	93797394.68
	b) OTHER LONG-TERM LIABILITIES	6	818886383.10	652089824.84
3	<u>CURRENT LIABILITIES</u>			
	a) TRADE PAYABLES		31191725.54	0.00
	b) OTHER CURRENT LIABILITIES	7	135391916.96	99342470.03
	TOTAL		555047173.53	545009493.62
II.	<u>ASSETS</u>			
1	<u>NON-CURRENT ASSETS</u>			
	a) FIXED ASSETS			
	TANGIBLE ASSETS		4390171.16	4546731.00
	INTANGIBLE ASSETS		174273.00	100540.00
	b) DEFERRED TAX ASSET (NET)		685690.00	555058.00
	c) LONG-TERM LOANS & ADVANCES	8	11835360.00	2778343.00
2	<u>CURRENT ASSETS</u>			
	a) INVENTORY		241833600.00	0.00
	b) TRADE RECEIVABLES		2780619.00	0.00
	c) CASH & CASH EQUIVALENTS	9	494846.22	1500202.62
	d) SHORT-TERM LOANS & ADVANCES	10	279536529.26	520048675.00
	e) OTHER CURRENT ASSETS	11	13316084.89	15479944.00
	TOTAL		555047173.53	545009493.62

1-2

Significant Accounting Policies & other notes
Notes form an integral part of this Balance Sheet

AUDITOR'S REPORT

As per our separate report of
even date attached.

For A P R A & Associates LLP
Chartered Accountants
ERN: 011078N/ N500064
(CA Arun Kumar Gupta)
Partner
M. No. 089657



For Elan Limited

Ravish Kapoor

Ravish Kapoor
Director
DIN: 02958473

Akash Kapoor
Director
DIN: 02958550

Place: New Delhi
Date : 01/09/2017

ELAN LIMITED
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH' 2017

	<u>NOTE NO.</u>	<u>AS AT</u> <u>31.03.2017</u> <u>Amount (in Rs.)</u>	<u>AS AT</u> <u>31.03.2016</u> <u>Amount (in Rs.)</u>
I <u>REVNUE</u>			
(a) REVNUUE FROM OPERATIONS	12	138950226.00	1529067.00
(b) OTHER INCOME	13	79118.00	3125346.00
TOTAL REVNUUE		139029344.00	4654413.00
II <u>EXPENSES</u>			
(a) COST OF REVNUUE		143782268.00	0.00
(b) EMPLOYEE BENEFIT EXPENSES	14	22971933.00	20734891.00
(c) FINANCE COST		0.00	0.00
(d) DEPRECIATION & AMORTIZATION EXPENSE	15	1423688.84	1477143.00
(e) OTHER EXPENSES	16	132553827.30	126494300.69
TOTAL EXPENSES		300731717.14	148706334.69
III PROFIT BEFORE TAX		-161702373.14	-144051921.69
IV <u>TAX EXPENSE</u>			
CURRENT TAX		0.00	0.00
DEFERRED TAX		-130632.00	-183416.00
PROFIT/ (LOSS) FOR THE PERIOD (III-IV)		-161571741.14	-143868505.69
<u>EARNING PER EQUITY SHARE</u>			
(1) BASIC		-3231.43	-2877.37
(2) DILUTED		-3231.43	-2877.37

Significant Accounting Policies & other notes 1-2
Notes form an integral part of this Balance Sheet

AUDITOR'S REPORT

As per our separate report of
even date attached.

For A P R A & Associates LLP
Chartered Accountants
FRN: 011078N / N500064
(CA Arun Kumar Gupta)
Partner
M. No. 089657



For Elan Limited

Ravish Kapoor
Ravish Kapoor
Director
DIN: 02958473

Akash Kapoor
Akash Kapoor
Director
DIN: 02958550

Place: New Delhi
Date : 01/09/2017

ELAN LIMITED
NOTES FORMING PART OF BALANCE SHEET

	<u>AS AT</u> <u>31.03.2017</u> <u>Amount (in Rs.)</u>	<u>AS AT</u> <u>31.03.2016</u> <u>Amount (in Rs.)</u>
NOTE 3		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
50000 Equity Shares of ` 100/- each	<u>5000000.00</u>	<u>5000000.00</u>
<u>ISSUED, SUBSCRIBED AND PAID UP</u>		
50000 Equity Shares of ` 100/- each	<u>5000000.00</u>	<u>5000000.00</u>

a) Rights, preference & restrictions attached to shares

Equity Shares

The Company has only one class of equity shares having a par value of ` 100/- per share. Each shareholder is eligible for one Vote per Share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

b) Details of shares in the company held by each shareholder holding more than 5% shares:

	<u>31.03.2017</u>		<u>31.03.2016</u>	
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rajnish Dhawan	16250	32.50	16250.00	32.50
Akash Kapoor	11110	22.22	11110.00	22.22
Geeta Dhawan	16250	32.50	16250.00	32.50
Rakesh Kapoor	5556	11.11	5556.00	11.11
	49166	98.33	49166.00	98.33

NOTE 4 **RESERVES & SURPLUS**

Opening balance	-305220195.93	-161351690.24
(+) Net Profit/(Net Loss) For the current year	-161571741.14	-143868505.69
Closing Balance	-466791937.07	-305220195.93

NOTE 5 **LONG TERM BORROWINGS**

Secured Borrowings

Bank Overdraft	0.00	1587890.68
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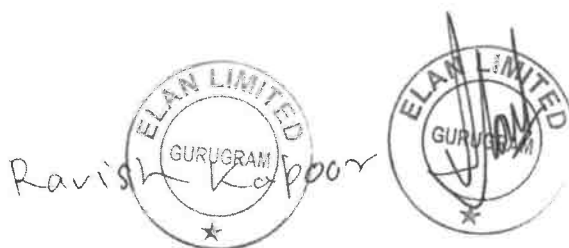
Unsecured Borrowings

From Related Parties:

Elan India Pvt. Ltd.	750000.00	0.00
Akash Kapoor	7132341.00	6175641.00
Rajnish Dhawan	481620.00	481620.00
Rakesh Kapoor	400000.00	1243061.00
Anjali Poddar	14339242.00	80000000.00
Ravish Kapoor	3265882.00	4309182.00

From Others

Zenica Cars India P Ltd.	5000000.00	0.00
	31369085.00	93797394.68



	<u>AS AT</u> <u>31.03.2017</u>	<u>AS AT</u> <u>31.03.2016</u>
NOTE 6 <u>OTHER LONG TERM LIABILITIES</u>		
Investors Account	816586383.10	651889824.84
Interest Free Refundable Security Deposit	2100000.00	0.00
Kwals Hospitality OPC Pvt Ltd	200000.00	200000.00
	818886383.10	652089824.84
NOTE 7 <u>OTHER CURRENT LIABILITIES</u>		
Interest Accrued & due on borrowings	480410.00	1233260.00
Auditors Remuneration Payable	200000.00	79200.00
Retention Money	1757625.00	0.00
Expenses Payable	304160.00	4367777.00
Duties & Taxes Payable	28551029.96	23553655.29
Stale Cheques	1119158.00	0.00
Director's Salary Payable	0.00	66250.00
Salary & Wages Payable	1362063.00	1171250.00
Best Selling Realty Private Limited	2511236.00	3608660.00
Elan Buildtech Private Limited	0.00	29293056.74
Elan Buildcon Pvt Ltd	99106235.00	34569361.00
Sanchi Akash Kapoor	0.00	1400000.00
	135391916.96	99342470.03
NOTE 8 <u>LONG TERM LOANS AND ADVANCES</u>		
Security Deposit- Rent	2075860.00	2075860.00
Refundable Security Deposit for Bank Gurantee	1867000.00	0.00
Refundable Security Deposit	0.00	372900.00
Advance to Contractors	7492500.00	329583.00
Performance Security-Pollution	300000.00	0.00
FD ICICI	100000.00	0.00
	11835360.00	2778343.00
NOTE 9 <u>CASH AND CASH EQUIVALENTS</u>		
Balance with Banks	107507.22	238363.62
Cash in Hand	387339.00	1261839.00
	494846.22	1500202.62
NOTE 10 <u>SHORT TERM LOANS AND ADVANCES</u>		
Project Development	278088911.26	195388378.00
Advance for Purchase of Land	0.00	324000000.00
Advance to Party	0.00	622370.00
Advance to Vendors	1447618.00	37927.00
	279536529.26	520048675.00
NOTE 11 <u>OTHER CURRENT ASSETS</u>		
ATF Infrastructure Investment Pvt. Ltd.	12500000.00	12500000.00
K & T Realty Services Private Limited	0.00	1717578.00
TDS Receivable (FY 14-15)	615869.89	645509.00
TDS 16-17 Receivable	200215.00	0.00
TDS Receivable (FY 15-16)	0	616857.00
	13316084.89	15479944.00



ELAN LIMITED
NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

	<u>AS AT</u> <u>31.03.2017</u> <u>Amount (in Rs.)</u>	<u>AS AT</u> <u>31.03.2016</u> <u>Amount (in Rs.)</u>
<u>NOTE 12 REVNUE FROM OPERATIONS</u>		
Income from Operations	138950226.00	1529067.00
	138950226.00	1529067.00
<u>NOTE 13 OTHER INCOME</u>		
Discount Received	0.00	3200.00
Interest on Income Tax Refund	44118.00	0.00
Misc. Balance Written off	35000.00	3120416.00
Interest Received	0.00	1730.00
	79118.00	3125346.00
<u>NOTE 14 EMPLOYEE BENEFITS EXPENSES</u>		
Salaries- Staff	21681933.00	18434162.00
Directors' Remuneration	1290000.00	1300000.00
Staff welfare	0.00	1000729.00
	22971933.00	20734891.00
<u>NOTE 15 DEPRECIATION AND AMORTIZATION EXPENSE</u>		
Depreciation	1423688.84	1477143.00
	1423688.84	1477143.00

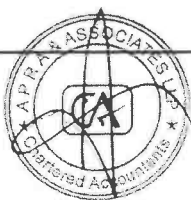


Ravish Kapoor



NOTE 16 OTHER EXPENSES

Auditor' Remuneration:		
(a) As Statutory Audit Fee	150000.00	88000.00
(b) As Tax Audit Fee	50000.00	0.00
Advertisement Expenses	2929396.49	5936696.00
Annual Maintenance Charges	63300.00	0.00
Bank Charges	54091.81	13173.69
Books and Newspaper	59287.00	42206.00
Business Promotion	0.00	180000.00
Brokerage	22964253.00	36242866.00
Compensation to Investors	80684942.00	57643823.00
Charity & Donation	79200.00	0.00
Diwali Expenses	354554.00	0.00
Designing Fees	926500.00	6527500.00
Escrow Account Charges Yes Bank	11450.00	0.00
Electricity, Gas & Water Exp.	892201.00	558519.00
ESIC Demand	0.00	6459.00
Filling Fee- ROC	2500.00	2000.00
Internet Expenses	62839.09	46803.00
Interest on Late Deposit of TDS/Service Tax	2451783.00	1607082.00
Interest on Late Payment to Vendor	0.00	7933.00
Labour Welfare Fund	6120.00	0.00
Late Filing Fee for TDS/Service Tax Return	0.00	450200.00
Miscellaneous Expenses	0.00	19700.00
Office Maintenance & Pantry Expenses	706971.00	1349698.00
Office Rent	9235553.00	8491440.00
Legal & Professional fee	3373250.00	5848500.00
Postage and Courier	135827.00	117286.00
Preliminary Expenses	0.00	128072.00
Printing & Stationery	647575.00	278733.00
RMC Testing Charges	70079.00	0.00
Rebate & Discount	3240867.00	0.00
Repair & Maintenance	1792289.00	0.00
Rent- Photocopy Machine	90873.00	15318.00
Stipend	0.00	18226.00
Swatch Bharat Cess	365761.17	0.00
Short & Excess	1764.95	0.00
Security Guard Expenses	0.00	282000.00
Telephone Expenses	206779.79	143754.00
Travelling Expenses	943820.00	395813.00
Website Maintenance Expenses	0.00	52500.00
	132553827.30	126494300.69



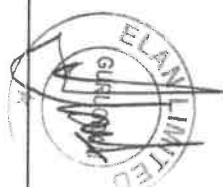
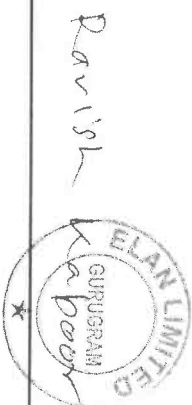
Ravish Kapoor



ELAN LIMITED

NOTE OF FIXED ASSETS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2017

TANGIBLE ASSETS										
GROSS BLOCK							DEPRECIATION			
PARTICULARS	DATE OF PURCHASE	AS ON 1.04.2016	PURCHASED DURING THE YEAR	SALES/TRF DURING THE YEAR	AS ON 31.3.2017	UP TO 31.03.2016	FOR THE YEAR	UP TO 31.03.2017	TOTAL	NET BLOCK
COMPUTER	14/06/2013	1,004,141.00	10,700.00	-	1,014,841.00	829,690.00	29,349.21	859,039.21	155,801.79	174,451.00
OFFICE EQUIPMENT	08/06/2013	751,556.00	787,282.00	-	1,538,838.00	462,604.00	346,518.84	809,122.84	729,715.16	288,952.00
FURNITURE AND FIXTURE	05/06/2013	7,932,543.00	341,136.00	-	8,273,679.00	3,849,215.00	919,809.79	4,769,024.79	3,504,654.21	4,083,328.00
Total		9,688,240.00	1,139,118.00	-	10,827,358.00	5,141,509.00	1,295,677.84	6,437,186.84	4,390,171.16	4,546,731.00
INTANGIBLE ASSETS										
GROSS BLOCK							AMORTISATION			
PARTICULARS	AS ON 1.04.2016	PURCHASED DURING THE YEAR	SALES/TRF DURING THE YEAR	AS ON 31.3.2017	UP TO 31.03.2016	FOR THE YEAR	UP TO 31.03.2017	TOTAL	TOTAL	TOTAL
SOFTWARE	18/06/2013	147,675.00	201,744.00	-	349,419.00	47,135.00	128,011.00	175,146.00	174,273.00	100,540.00
Total		147,675.00	201,744.00	-	349,419.00	47,135.00	128,011.00	175,146.00	174,273.00	100,540.00





1. Background

The Company is engaged in real Estate, Construction and allies Services.

2. Significant Accounting Policies

(i) Basis for preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 to the extent applicable and other accounting principles generally accepted in India, to the extent applicable.

(ii) Use of estimates

The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of financial statements, and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

(iii) Fixed assets and depreciation

Tangible assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred upto the date of commissioning of the assets.

Intangible assets

Intangible assets represent tenancy rights. The cost of intangible asset comprises of consideration paid to acquire the right to use a tangible asset.

Depreciation/ amortization

Depreciation in respect of all the assets is provided on Written down Value method. The rates of depreciation prescribed in Schedule II to the Act are considered as minimum rates.

(iv) Investments

Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments. Current investments are stated at lower of cost and fair value.



Ravish Kapoor



ELAN LIMITED

Corporate Office: 3rd Floor, Golf View Corporate Tower, Golf Course Road, Sector-42, Gurgaon, Haryana-122002, India
Tel: 0124-4101100 • Email: info@elanlimited.com • Web: www.elanlimited.com
Registered Office: 1A, 8th Avenue, Bandh Road, Village-Jonapur, New Delhi-110047

CIN: U70200DL2013PLC250600

(v) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(vi) Revenue recognition

Real estate projects Revenue from real estate projects is recognized on the 'Percentage of Completion method' (POC) of accounting. Revenue under the POC method is recognized on the basis of percentage of actual costs incurred, including land, construction and development cost of projects under execution subject, to such actual cost being 30 percent or more of the total estimated cost of projects. The stage of completion under the POC method is measured on the basis of percentage that actual costs incurred on real estate projects including land, construction and development cost bears to the total estimated cost of the project. Effective from 1st April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised) 2012" (referred to as "Guidance Note"), all projects commencing on or after the said date or projects where revenue is recognized for the first time on or after the said date, Revenue from real estate projects has been recognized on Percentage of Completion (POC) method provided the following conditions are met:

- All critical approvals necessary for commencement of the project have been obtained.
- The expenditure incurred on construction and development is not less than 25% of the total estimated construction and development cost.
- At least 25% of the saleable project area is secured by way of contracts or agreements with buyers.
- At least 10% of the total revenue as per the agreement of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts



Kapoor



and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the respective contracts.

The estimates of the projected revenues, projected profits, projected costs, cost to completion and the foreseeable losses are reviewed periodically by the management and any effect of changes in estimates is recognized in the period in which such changes are determined. Unbilled revenue disclosed under other assets represents revenue recognized based on percentage of completion method over and above amount due as per payment plan agreed with the customers. Amount received from customers which exceeds the cost and recognized profits to date on projects in progress, is disclosed as advance received from customers under other current liabilities. Any billed amount against which revenue is recognized but amount not collected is disclosed under trade receivable.

ii. Interest due on delayed payments by customers is accounted on receipts basis due to uncertainty of recovery of the same and is treated as part of operating income.

iii. Revenue from sale of completed real estate projects, land, development rights and sale/transfer of rights in agreements are recognized in the financial year in which agreements of such sales are executed and there is no uncertainty about ultimate collections.

iv. Income from construction contracts Revenue from construction contracts is recognized on the 'Percentage of Completion method' of accounting.

(vii) Earnings per share (EPS)

Basic and Diluted EPS are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

(viii) Taxes

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effect of timing difference between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liability or asset are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent of there is



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reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

(ix) Provisions and contingencies

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. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably ascertained.

(x) Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(xi) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



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(xii) Borrowing costs



Borrowing costs directly incurred as part of the acquisition, construction or production of a qualifying asset is capitalized as part of the acquisition or production cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Borrowing costs are capitalized up to the date the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

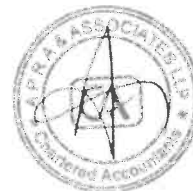
(xiii) Foreign currency transactions

- i. Foreign currency transactions are recorded at exchange rates prevailing on the date of respective transactions.
- ii. Current assets and current liabilities in foreign currencies existing at balance sheet date are translated at year-end rates.
- iii. Foreign currency translation differences related to acquisition of imported fixed assets are adjusted in the carrying amount of the related fixed assets. All other foreign currency gains and losses are recognized in the statement of profit and loss.
- iv. Foreign Exchange difference arising as a monetary item that, in substance, form part of company's net investment is a non-integral foreign operation and is accumulated in a Foreign Currency Translation Reserve in the financial statement and at the time of disposal of net investment, it is recognized as income or expense.

(xiv) Inventories

- i. Building material and consumable stores are valued at cost, which is determined on the basis of the 'First in First out' method.
- ii. Land is valued at cost, which is determined on average method. Cost includes cost of acquisition and all related costs.
- iii. Construction work in progress is valued at cost. Cost includes cost of materials, services and other related overheads related to project under construction.
- iv. Completed real estate project for sale and trading stock are valued at lower of cost or net realizable value. Cost includes cost of land, materials, construction, services and other related overheads.



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(xv) Projects in progress

Projects in progress are valued at cost. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to projects.

(xvi) Employee Benefits

(i) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering These services are classified as short-term employee benefits. These benefits Include compensated absences such as paid annual leave and sickness Leave. The undiscounted amount of short-term employee benefits expected To be paid in exchange for the services rendered by employees is Recognized as an expense during the period.

(ii) Gratuity

The company has not recognized any provision in respect of Gratuity as The provision of Gratuity Act, 1972 is not applicable to the company, the Company shall recognize provision in respect of gratuity as, and when it is Applicable to the company.

  Ravish Kapoor



Elan Ltd.

DISCLOSURES PURSUANT TO ACCOUNTING STANDARD (AS) 18 Related Party Disclosures

(a) List of Related Parties (with whom transactions were carried out during current and previous year):

<u>Name of the Related Party</u>	<u>Nature of Relationship</u>
Akash Kapoor	Director
Rajnish Dhawan	Director
Rakesh Kapoor	Father of Director (Akash Kapoor & Rakesh Kapoor)
Anjali Poddar	Director
Ravish Kapoor	Director
Best Selling Realty Private Limited	Common Director
Elan Buildtech Private Limited	Common Director
Elan Buildcon Pvt Ltd	Common Director
Elan India Pvt. Ltd.	Common Director
Sanchi Akash Kapoor	Wife of Akash Kapoor
K & T Realty Services Private Limited	Common Director

(b) Related Party Transactions

Salary Paid to Deepa Kapoor for services received	1290000.00
Salary Paid to Rakesh Kapoor for services received	1290000.00
Interest Paid to Anjali Poddar on Unsecured Loan	8718511.00
Brokerage Paid to Best Selling Realty Pvt. Ltd. for services received	2100414.00
	<u>13398925.00</u>

Unsecured Loan

<u>Name</u>	<u>As At 31 March, 2017</u>	<u>As At 31 March, 2016</u>
Akash Kapoor	7,132,341.00	6,175,641.00
Rajnish Dhawan	481,620.00	481,620.00
Rakesh Kapoor	400,000.00	1,243,061.00
Anjali Poddar	14,339,242.00	80,000,000.00
Ravish Kapoor	3,265,882.00	4,309,182.00
Elan Buildtech Private Limited	-	29,293,056.74
Elan Buildcon Pvt Ltd	99,106,235.00	34,569,361.00
Elan India Pvt. Ltd.	750,000.00	-
Sanchi Akash Kapoor	-	1,400,000.00
	<u>125,475,320.00</u>	<u>157,471,921.74</u>

Trade Payables

<u>Name</u>	<u>As At 31 March, 2017</u>	<u>As At 31 March, 2016</u>
Best Selling Realty Private Limited	2,511,236.00	3,608,660.00

Other Current Assets

K & T Realty Services Private Limited	-	1,717,578.00
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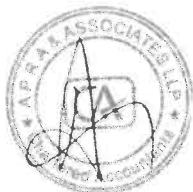
Other Disclosures

DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November, 2016 to 30th December, 2016 as provided in the Table below:-

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	800000/-	254839/-	1054839/-
+ Permitted receipts	-	-	-
- Permitted Payments	-	10000/-	10000/-
- Amount deposited in banks	800000/-	-	800000/-
+Amount Withdrawn from banks	-	415000/-	415000/-
Closing cash in hand as on December 30, 2016	-	659839/-	659839/-

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."



For and on behalf of Board of Directors of

(Akash Kapoor)
(Ravish Kapoor)

Place: Delhi

Date: 01/09/2017

Director

Director