

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF RAM KANTA PROPERTIES PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of RAM KANTA PROPERTIES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 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 thereunder.

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 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 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 including the, of the financial position of the Company as at 31<sup>st</sup> March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.


### 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 section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure 'A', a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss ( including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity 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 relevant rules issued thereunder;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 pending litigations which would impact its financial position. (Refer Note No. 21(a) 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For LODHA & CO,  
Chartered Accountants  
Firm Registration No.: 301051E

  
(GAURAV LODHA)  
(Partner)  
Membership No. 507462



Place: New Delhi  
Dated: 14/05/2016

**Annexure "A" referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the financial statements of RAM KANTA PROPERTIES PRIVATE LIMITED for the year ended 31st March 2018.**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The fixed assets have been physically verified by the management during the year and no discrepancies were noticed on such physical verification. In our opinion, the frequency of verification is reasonable.  
(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.
2. As per information and explanations made available, the company does not have any inventory. Accordingly, the provision of Clause (ii) of the Order is not applicable.
3. The Company has not granted any loans secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) (a), (b) & (c) of the Order are not applicable.
4. According to the information, explanations and representations provided by the management and based upon audit procedures performed, the company has not given any loans, guarantees, security and has not made any investment under the provision of section 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable). Therefore, the provisions of the Clause 3(v) of the Order are not applicable to the Company. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
6. In our opinion and according to information and explanation given to us, the company is not required to maintain cost records pursuant to section 148(1) of the Companies Act, 2013.
7.
  - (a) According to the records of the Company and information and explanation given to us, the Company is 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 other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2018.
  - (b) According to the records and information & explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.



8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, we are not offering any comments under Clause 3(Viii) of the Order.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year. Accordingly, we are not offering any comments under Clause 3(ix) of the Order.
10. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, no managerial remuneration has been paid/ provided by the company.
12. 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.
13. According to the information and explanations and records made available by the management of the Company and audit procedure performed, for transactions with the related parties during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained and as per records, details of related party transactions have been disclosed in the financial statements as per the applicable Accounting Standards.
14. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year. Accordingly, we are not offering any comment with respect to compliance of requirement of Section 42 of the Act and utilisation of the money.
15. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, we are not offering comment with respect to compliance of Section 192 of the Act.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For LODHA & CO.,  
Chartered Accountants  
Firm Registration No.: 301051E

  
(GAURAV LODHA)  
(Partner)  
Membership No. 507462  
Place: New Delhi  
Dated: 14/05/2018



## **Annexure –B to the Auditors' Report**

### **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RAM KANTA PROPERTIES PRIVATE LIMITED**

#### **Report on the Internal Financial Controls over Financial Reporting 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 Ram Kanta Properties Private Limited ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorisations 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, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, 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 LODHA & CO.,  
Chartered Accountants  
Firm Registration No.: 301051E



(GAURAV LODHA)  
(Partner)  
Membership No. 507462



Place: New Delhi

Dated: 14/05/2018

***RAM KANTA PROPERTIES PRIVATE LIMITED***

***ANNUAL ACCOUNTS***

***2017-18***



**Ram Kanta Properties Private Limited**  
**Balance Sheet as at 31st March, 2018**

(Amt in Rs.)

	Note No.	As At 31st March, 2018	As At 31st March, 2017
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipment	2	1,07,51,12,010	1,07,50,00,000
(b) Capital work-in-progress	3	17,68,903	-
(c) Investment Property		-	-
(d) Financial Assets			
(i) Loans	4	2,68,622	26,708
(e) Other Non Current Assets	5	2,10,000	-
		<b>1,07,73,59,535</b>	<b>1,07,50,26,708</b>
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Cash and Cash Equivalent	6	63,447	20,40,005
(ii) Others	7	-	13,315
(b) Current Tax Assets	8	32,640	30,717
		<b>96,087</b>	<b>20,84,037</b>
<b>TOTAL ASSETS</b>		<b>1,07,74,55,622</b>	<b>1,07,71,10,745</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9	87,40,020	87,40,020
(b) Other Equity		1,06,81,40,344	1,06,82,58,101
		<b>1,07,68,80,364</b>	<b>1,07,69,98,121</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities	10	958	-
		<b>958</b>	<b>-</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	11	-	86,314
(ii) Other Financial Liabilities	12	5,52,060	25,000
(b) Other Current Liabilities	13	22,240	1,310
		<b>5,74,300</b>	<b>1,12,624</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,07,74,55,622</b>	<b>1,07,71,10,745</b>

Significant Accounting Policies  
Notes on financial statements 1  
2-27

for and on behalf of the board

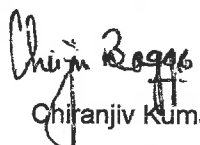

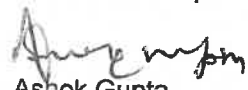
As per our report of even date  
**For Lodha & Co.**  
Chartered Accountants

**Directors**

  
Gaurav Lodha  
**(Partner)**  
Membership No. 507462  
Firm Registration No. 301051E  
New Delhi  
Dated: 14<sup>th</sup> May 2018



  
Manshu Agnihotri  
(Company Secretary)

  
Chiranjiv Kumar Bagga  
  
Ram Ratan Gupta  
  
Ashok Gupta

**Ram Kanta Properties Private Limited**  
**Statement of Profit & Loss for the year ended 31st March 2018**

		(Amt in Rs.)	
	Note No.	2017-18	2016-17
I. Revenue from Operations		-	-
II. Other Income		-	-
III. Total Income (I+II)	14	1,17,868	1,56,808
		<u>1,17,868</u>	<u>1,56,808</u>
IV. Expenses			
a) Employee Benefits Expense	15	90,213	74,624
b) Depreciation		1,978	-
c) Other Expenses	16	1,42,476	7,03,050
Total Expenses (IV)		<u>2,34,667</u>	<u>7,77,674</u>
V. Profit/(Loss) before Exceptional Items and Tax (III-IV)		(1,16,799)	(6,20,866)
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		<u>(1,16,799)</u>	<u>(6,20,866)</u>
VIII. Tax Expense			
(1) Current Tax		-	-
(2) Deferred Tax		958	-
(3) Tax Adjustments for Earlier Years		-	11,279
IX. Profit/(Loss) for the Year		<u>(1,17,757)</u>	<u>(6,32,145)</u>
X. Other Comprehensive Income (net of tax)		-	-
XI. Total Comprehensive Income for the Year (IX+X)		<u>(1,17,757)</u>	<u>(6,32,145)</u>
XII. Earnings per Equity Share:			
Basic and Diluted Earnings per Equity Share	17	(0.13)	(0.75)
Significant Accounting Policies and Notes on Financial Statements	1 2-27		

As per our report of even date  
**For Lodha & Co.**  
*Chartered Accountants*

*Lodha*

Gaurav Lodha  
**(Partner)**  
 Membership No. 507462  
 Firm Registration No. 301051E  
 New Delhi  
 Dated: 14<sup>th</sup> May 2018



for and on behalf of the board

**Directors**

*Chiranjiv Bagga*  
 Chiranjiv Kumar Bagga

*R. Gupta*  
 Ram Ratan Gupta

*Ashok Gupta*  
 Ashok Gupta

*Manshu*

Manshu Agnihotri  
 (Company Secretary)

**Ram Kanta Properties Private Limited**  
**Statement of Change in Equity for the year ended 31st Mar 2018**

**(A) Equity Share Capital**

Particulars	(Amt in Rs.)		
	As at 1st April 2017	Changes during the year	As at 31st March 2018
Equity Shares - 8,74,002 of Rs. 10 each (Previous year 8,74,002 of Rs. 10 each) fully paid up	87,40,020	-	87,40,020

**(B) Other Equity**

Particulars	Reserves & Surplus			Total
	Retained Earnings	Fair Value Reserves	Securities Premium Reserves	
Balance as at 1st April 2016	(65,85,045)	-	-	(65,85,045)
Profit / (Loss) for the Year 2016-17	(6,32,145)	-	-	(6,32,145)
Fair Value Reserves	-	1,03,33,15,291	-	1,03,33,15,291
Securities Premium Reserves	-	-	4,21,60,000	4,21,60,000
Balance as at 31st March 2017	(72,17,190)	1,03,33,15,291	4,21,60,000	1,06,82,58,101
Profit / (Loss) for the Year 2017-18	(1,17,757)	-	-	(1,17,757)
Balance as at 31st March 2018	(73,34,947)	1,03,33,15,291	4,21,60,000	1,06,81,40,344

As per our report of even date  
 For Lodha & Co.  
 Chartered Accountants

*Bohla*

Gaurav Lodha  
 (Partner)  
 Membership No. 507462  
 Firm Registration No. 301051E  
 New Delhi  
 Dated: 14<sup>th</sup> May 2018



*Manish*  
 Manshu Agnihotri  
 (Company Secretary)

for & on behalf of the board

Directors

*Chiranjiv Kumar Bagga*  
 Chiranjiv Kumar Bagga

*Ram Katan Gupta*  
 Ram Katan Gupta

*Ashok Gupta*  
 Ashok Gupta

## Note - 1

### **Company Overview, Basis of Preparation & Significant Accounting Policies.**

#### **1.1 The Company Overview: Corporate & General Information.**

Ram Kanta Properties Private Limited ("RKPPL" or "the company") is a private company domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Subsequent to the balance sheet date registered office of the company has been shifted to 4<sup>th</sup> Floor, Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-110002 as per certificate issued by the registrar of company, New Delhi, Dated 06<sup>th</sup> April'2018.

The Company is primarily engaged in the Business of Acquiring, Developing, Constructing and Maintaining the Land & Buildings, Flats, Apartments etc.

These Financial Statements were approved and adopted by the Board of Directors of the Company in their meeting held on 14<sup>th</sup> May, 2018.

#### **1.2 Basis of Preparation of Financial Statements.**

##### **(i) Statement of Compliance :**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

##### **(ii) Basis of Preparation:**

The significant accounting policies used in preparing the Financial Statements are set out in Note No. 1.3 of the Notes to the Standalone Financial Statements.

##### **(iii) Basis of Measurement.**

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except for the items that have been measured at fair value as required by relevant IND AS.

##### **(iv) Current & Non-Current Classifications.**

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.



**(v) Significant Accounting Judgements, Estimates and Assumptions.**

The preparation of these Financial Statements requires management judgements, estimates and assumptions that affect the application of Accounting Policies, the Accounting disclosures made and the reports amounts of Assets, Liabilities, Income and Expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognised in the period in which the estimates are revised and any future periods effected pursuant to such revision.

**1.3 Significant Accounting Policies**

**(1) Property, Plant and Equipment.**

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated losses, if any. Cost includes expenses directly attributable to bringing the Asset to their location and conditions necessary for it to be capable of operating in the manner intended by the management.

Subsequent cost are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that is future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, Plant and Equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

Deprecation is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives as specified in Schedule II to Companies Act, 2013.

**(2) Cash and Cash Equivalents.**

Cash and Cash Equivalents includes cash on hand, deposits held at call with Banks/Financial Institutions, other short-term, highly liquid investments which are subject to an insignificant risk of change in value.

**(3) Equity Share Capital**

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

**(4) Financial Instruments.**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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## **1. Financial Assets.**

### **1.1 Definition :**

Financial Assets include Cash and Cash Equivalents, Trade and Other Receivables, Investments in Securities and other eligible Current and Non-Current Assets.

At initial recognition, all financial assets are measured at fair value. The classification is reviewed at the end of each reporting period.

#### **(i) Financial Assets at Amortised Cost :**

At the date of initial recognition, Financial Assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortization is included as interest income in the profit or loss. The losses arising from impairment are recognized in the Statement of Profit or Loss.

#### **(ii) Financial Assets at Fair value through Other Comprehensive Income :**

At the date of initial recognition, Financial Assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognized in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

#### **(iii) Financial Assets at Fair value through Profit or Loss (FVTPL) :**

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

### **1.2 Derecognition of Financial Assets.**

A Financial Asset is primarily derecognized when:

- The right to receive cash flows from asset has expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
  - a) The Company has transferred substantially all the risks and rewards of the asset, or
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## **2. Financial Liabilities.**

### **2.1 Definition :**

Financial liabilities include Long-term and Short-term Loans and Borrowings, Trade and Other payables and Other eligible Current and Non-current Liabilities.

#### **(a) Initial Recognition and Measurement.**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

#### **(b) Subsequent Measurement.**

The measurement of financial liabilities depends on their classification, as described below :

##### **i) Financial Liabilities at Fair Value through Profit or Loss.**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

##### **ii) Financial Liabilities measured at Amortized Cost.**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.



Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

## **2.2 Trade and Other Payables.**

A payable is classified as trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## **2.3 De-recognition of Financial Liability.**

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

## **(e) Provisions, Contingent liabilities, Contingent Assets and Commitments.**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

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Commitments include the amount of Purchase Order (net of of Advances) issued to parties for Completion of Assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**(f) Revenue Recognition.**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Interest Income.**

Income from interest is accounted for on time proportion basis taking into account the amount outstanding and applicable rate of interest. Interest income is included in other income in statement of profit and loss.

**(g) Employees Benefits.**

**Short-term Employee Benefits.**

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

**(h) Taxes on Income.**

**a) Current Tax.**

i) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss .Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred Tax.**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss.

Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

**(i) Earnings Per Share (EPS).**

*i) Basic earnings per share.*

Basic earnings per share is calculated by dividing :

- The Profit or Loss attributable to Equity Shareholders of the Company.
- By the Weighted Average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

*ii) Diluted earnings per share.*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account :

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The Weighted Average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(j) Segment Accounting.**

The Company is engaged primarily into providing of servicing. The Company has only one business segment as identified by management namely servicing.

Segments have been identified taking into account nature of service and differential risk and returns of the segment. The business segments are reviewed by the Directors.

**II. Significant Accounting Judgments, Estimates and Assumptions.**

The preparation of Company's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and

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liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**i) Income Taxes.**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

**ii) Fair Value Measurement of Financial Instruments.**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**iii) Defined Benefit Plans.**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**iv) Contingencies.**

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**v) Recent Accounting Pronouncements**

**On March 28, 2018, Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to: -**

**a) Ind AS 21 - Foreign Currency Transactions and Advance Consideration:**

Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018 and is not applicable to the Company.

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b) **Ind AS 115 - Revenue from Contract with Customers:**

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- **Retrospective approach** - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- **Retrospectively with cumulative effect** of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018 and is not applicable to the Company.

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Note -2  
Property Plant & Equipment

Particulars	Freehold Land	Furniture & Fixtures	Amt in (Rs.) Total
<b>Gross Block</b>			
As at 01st April'2016	4,16,84,709	-	-
Additions/Adjustments (Refer Note 25)	1,03,33,15,291	-	-
Disposals/Adjustments	-	-	-
<b>As at 1st April'2017</b>	<b>1,07,50,00,000</b>	<b>-</b>	<b>1,07,50,00,000</b>
Additions/Adjustments	-	1,13,988	1,13,988
Disposals/Adjustments	-	-	-
<b>As at 31st March'2018</b>	<b>1,07,50,00,000</b>	<b>1,13,988</b>	<b>1,07,51,13,988</b>
<b>Accumulated Depreciation</b>			
As at 31st March'2016	-	-	-
Charged For the Year	-	-	-
Disposal	-	-	-
<b>As at 1st April'2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charged For the Year	-	1,978	1,978
Disposal	-	-	-
<b>As at 31st March'2018</b>	<b>-</b>	<b>1,978</b>	<b>1,978</b>
<b>Net Carrying Amount</b>			
As at 31st March'2017	1,07,50,00,000	-	1,07,50,00,000
As at 31st March'2018	1,07,50,00,000	1,12,010	1,07,51,12,010

Note -3  
Capital Work in Progress

Capital Work in Progress Includes-

Salaries  
Other Rates & Taxes  
Bank Charges  
Consultancy Charges  
General Charges  
Rep & Maint - Office / Equipment  
Telephone Expenses  
Electricity Charges  
Advertisement & Publicity

	2017-2018	2016-2017
Salaries	6,09,793	-
Other Rates & Taxes	5,47,944	-
Bank Charges	12,596	-
Consultancy Charges	2,30,100	-
General Charges	2,15,407	-
Rep & Maint - Office / Equipment	85,863	-
Telephone Expenses	19,025	-
Electricity Charges	42,960	-
Advertisement & Publicity	5,216	-
	<b>17,68,903</b>	<b>-</b>



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(Amt in Rs.)

31st March 2018

31st March 2017

**Note - 4****Loans**

Security Deposit

2,68,622	26,708
<b>2,68,622</b>	<b>26,708</b>

**Note - 5****Other Non Current Assets**

Other Non Current Assets

2,10,000	-
<b>2,10,000</b>	<b>-</b>

**Note - 6****Cash and Cash Equivalents**

Balance with Bank

In Current Accounts

Fixed Deposit with Bank

Cash on Hand

63,097	2,33,205
-	18,00,000
350	6,800
<b>63,447</b>	<b>20,40,005</b>

**Note - 7****Other Current Financial Assets**

Interest Accrued but not due on fixed deposit

-	13,315
<b>-</b>	<b>13,315</b>

**Note - 8****Current Tax Assets**

Advance Tax (including TDS receivable)

32,640	30,717
<b>32,640</b>	<b>30,717</b>

**Note - 9****Equity Share Capital****Authorised**

Equity Shares - 12,50,000 (Previous year 12,50,000) of Rs. 10 each

1,25,00,000

1,25,00,000

Preference Share - 42,50,000 ( Previous year 42,50,000) of Rs. 10 each

4,25,00,000

4,25,00,000

<b>5,50,00,000</b>	<b>5,50,00,000</b>
--------------------	--------------------

**Issued, Subscribed and Paid up**

Equity Shares - 8,74,002 of Rs. 10 each (Previous year 8,74,002 of Rs. 10 each) fully paid up

87,40,020

87,40,020

Preference Shares - Nil ( Previous year 42,50,000) of Rs. 10 each) fully paid up

<b>87,40,020</b>	<b>87,40,020</b>
------------------	------------------

**Reconciliation of Number of Shares Outstanding :****(A) Equity Share**

Opening Balance

8,74,002	8,40,002
----------	----------

Shares Issued during the year

-

34,000

Shares brought back during the year

-

Shares Outstanding at the end of the year

<b>8,74,002</b>	<b>8,74,002</b>
-----------------	-----------------

**(B) Preference Share**

Opening Balance

-	42,50,000
---	-----------

Shares issued during the year

-

Converted into equity

-

(42,50,000)

Shares Outstanding at the end of the year

<b>-</b>	<b>-</b>
----------	----------

**B. Details of shareholders holding more than 5% shares in the company.****Equity Shares :**

Hansdeep Industries &amp; Trading Company Ltd. (100% Holding Company)

8,74,002	8,74,002
----------	----------

**C. Terms / Rights attached to Each Class of shareholders :**

**Equity Share** :- Having a par value of Rs.10 each per share. Each Holder of equity share is entitled to one vote per share.



**Note -10**  
**Deferred Tax Liabilities**  
 Deferred Tax Liabilities

**Note -11**  
**Trade Payables**  
 Creditors (Refer note no. 22)

**Note -12**  
**Other Financial Liabilities**  
 Audit Fees  
 Capital Creditors

**Note -13**  
**Other Current Liabilities**  
 Statutory Dues Payable

	31st March 2018	(Amt in Rs.) 31st March 2017
	958	-
	<b>958</b>	<b>-</b>
	-	86,314
	-	<b>86,314</b>
	<b>22,500</b>	25,000
	<b>5,29,560</b>	-
	<b>5,52,060</b>	<b>25,000</b>
	<b>22,240</b>	1,310
	<b>22,240</b>	<b>1,310</b>

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Amt in (Rs.)

**Note -14****Other Income**

Profit on Sale of Current Investment  
Interest on Fixed Deposit

2017-2018

2016-2017

98,265

-

19,603

1,56,808

1,17,868

1,56,808

**Note -15****Employee Benefit Expense**

Salary &amp; Wages

90,213

74,624

90,213

74,624

**Note -16****Other Expenses**

Rates &amp; Taxes

37,383

37,453

Bank Charges

6,329

-

Consultancy Charges

26,550

-

Conveyance

-

24,985

General Charges

-

1,95,947

Legal Charges

-

41,674

Repair &amp; Maintainance

-

1,70,920

Printing &amp; Stationery

-

24,664

Water Charges

-

1,66,927

Electricity Charges

38,530

15,480

Auditor Fees (Statutory Audit Fee)

29,500

25,000

Telephone Charges

4,184

-

1,42,476

7,03,050

**Note -17****Earning Per Share (Basic / Diluted)**

Net profit/(Loss) as per Statement of Profit and Loss

(1,17,757)

(6,32,145)

**Net profit/(Loss) attributable to equity shareholders**

(1,17,757)

(6,32,145)

Weighted average number of Equity Shares outstanding during the period

8,74,002

8,41,679

Earnings per Equity Share (Rs.) (face value of Rs. 10/- each)

10

10

Basic and Diluted

(0.13)

(0.75)





## Notes accompanying the Financial Statements

### 18. Financial Risk Management Objectives and Policies

The Company's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Company's Financial Risk Management Policy is set by the Board. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity risk etc.), credit risk and liquidity risk.

#### 18.1 Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments.

At present there is no risk related to foreign currency risk, interest rate risk and commodity price risk in the Company.

#### 18.2 Credit Risk:

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

At present there is no credit risk in the Company.

#### Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

#### 18.3 Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational and other needs.

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### Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Amt in Rs.)						
SN	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Year	Total
1	<b>As on 31<sup>st</sup> March, 2018</b>					
	- Trade Payables	-	-	-	-	-
	- Other Liabilities	5,52,060	5,52,060	-	-	5,52,060
	<b>Total</b>	<b>5,52,060</b>	<b>5,52,060</b>			<b>5,52,060</b>
2	<b>As on 31<sup>st</sup> March, 2017</b>					
	- Trade Payables	86,314	86,314	-	-	86314
	- Other Liabilities	25,000	25,000	-	-	25000
	<b>Total</b>	<b>1,11,314</b>	<b>1,11,314</b>	-	-	<b>1,11,314</b>

### 19. Fair Value of Financial Assets and Liabilities:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

Particulars	31 <sup>st</sup> March'18		31 <sup>st</sup> March'17	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A. Financial Assets</b>				
<b>(i) At Fair Value through Profit and Loss :-</b>				
Investments				
- Mutual Funds.	-	-	-	-
- Preference Shares	-	-	-	-
<b>(ii) At Amortized Cost :-</b>				
a) Bank FDs.	-	-	18,00,000	18,00,000
b) Cash & Bank Balances	63,447	63,447	2,40,005	2,40,005
c) Others	4,78,622	4,78,622	40,023	40,023
<b>Total</b>	<b>5,42,069</b>	<b>5,42,069</b>	<b>20,80,028</b>	<b>20,80,028</b>

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<b>B. Financial Liabilities</b>				
<b>(i) At Amortized Cost</b>				
- Trade Payables	-	-	86,314	86,314
- Other Financial Liabilities	5,52,060	5,52,060	25,000	25,000
<b>Total</b>	<b>5,52,060</b>	<b>5,52,060</b>	<b>111,314</b>	<b>111,314</b>

**Fair Valuation Techniques:**

The Company maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values :-

1. Fair Value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.

**20. Income Tax Expense :**

(i). Amount recognized in the statement of profit and loss: -

(Amt in Rs.)

Particulars	2017-18	2016-17
Current Tax	-	-
Deferred Tax (Relating to origination and reversal of temporary difference)	958	-
Adjustments in respect of income tax of previous year	-	11,279
<b>MAT</b>		
MAT Credit Entitlement	-	-
MAT Credit Utilization	-	-

(ii) Reconciliation of effective tax rate.

(Amt in Rs)

Particulars	2017-18	2016-17
Accounting profit/(loss) before income tax	(1,16,799)	(6,20,866)
At applicable Statutory Income tax rates @ 25.75%	-	-
Increase/Reduction in taxes on account of previous year tax adjustments	-	11,279
Deferred Tax Liability	958	-
Tax on which deduction is not admissible	-	-
Others	-	-
<b>Income Tax expense(Income) reported to profit &amp; loss</b>	<b>958</b>	<b>11,279</b>

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21. a) Contingent Liabilities - Nil (Previous Year – Nil)  
b) Estimated amount of Contracts remaining to be executed on capital account is Rs. 3,13,95,411/- net of Capital Advances of Rs. 2,10,000/- (Previous year Rs. Nil).
22. The Company has not paid/ proposed any dividend during the Financial Year 2017-18. (Previous Year - Nil).
23. During the year the Company has not dealt with vendor registered under the Micro, Small & Medium Enterprises Development Act, 2006, hence no liability related to the principle/interest arises during the year.
24. Related Parties Disclosure

JK Lakshmi Cement Limited.	Ultimate Holding Company
Hansdeep Industries and Trading Company Limited.	Holding Company

**Key Management Personnel (KMP):**

Shri Ram Ratan Gupta	Director
Shri Ashok Gupta	Director
Shri Chiranjiv Kumar Bagga	Director
Ms Manshu Agnihotri	Company Secretary
Shri Bharat Hari Singhania	Chairman & Managing Director
Smt Vinita Singhania	Vice Chairman & Managing Director
Shri B.V. Bhargava	Independent & Non Executive Director
Shri N.G. Khaitan	Independent & Non Executive Director
Shri K.N. Memani	Independent & Non Executive Director
Dr. Raghupati Singhania	Non Independent & Non Executive Director
Shri Ravi Jhunjunwala	Independent & Non Executive Director
Shri Pradeep Dinodia	Independent & Non Executive Director
Shri SK Wali	Whole Time Director
Dr. S Chouksey	Whole Time Director
Shri Sudhir A Bidkar	Chief Financial Officer
Shri Brijesh K Daga	VP & Company Secretary
Shri Sujit Kumar Mukherjee	Director

During the year there is no transaction with Related Parties.

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25. The company is developing a building on land owned by it. After completion of construction it is to be used by the company hence freehold land has been re-classified as Property Plant & Equipment during the previous year from Investment Property. In the previous year freehold land has been considered at Rs. 1,07,50,00,000/- at fair valuation.
26. The Company has only one business segment namely Servicing.
27. Previous year's figures have been regrouped/recast, wherever considered necessary.

As per our report of even date  
**For Lodha & Co.**  
*Chartered Accountants*

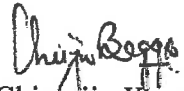
  
Gaurav Lodha  
(Partner)  
Membership No. 507462  
Firm Registration No. 301051E  
New Delhi  
Dated: 14<sup>th</sup> May 2018

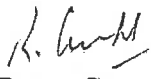


  
Manshu Agnihotri  
(Company Secretary)

for & on behalf of the board

**Directors**

  
Chiranjiv Kumar Bagga

  
Ram Ratan Gupta

  
Ashok Kumar Gupta

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**Ram Kanta Properties Private Limited**

**CASH FLOW STATEMENT**

For the Year Ended 31<sup>st</sup> March 2018

**Amendments to Ind AS 7**

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact upon on the financial statements of the Company.

	Amount in (Rs.)	
	2017-18	2016-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax	(1,16,799)	(6,20,866)
Adjustments for		
Depreciation	1,978	-
Profit on Sale of Current Investments	(98,265)	-
Interest Income	(19,603)	(1,56,808)
Operating Profit before Working Capital Changes	(2,32,689)	(7,77,674)
Adjustment for		
Trade and Other Receivables	(4,38,599)	6,042
Trade and Other Payables	4,61,676	98,824
Cash Generated from Operations	(2,09,612)	(6,72,808)
Direct Tax Paid (Net)	(1,923)	(41,996)
<b>Net Cash from Operating Activities</b>	<b>(2,11,535)</b>	<b>(7,14,804)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Profit on Sale of Current Investments	98,265	
Interest Income	19,603	1,69,050
Purchase of Fixed Assets & CWIP	(18,82,891)	-
<b>Net Cash from / (used in) Investing Activities</b>	<b>(17,65,024)</b>	<b>1,69,050</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>D. Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(19,76,558)</b>	<b>(5,45,754)</b>
<b>E. Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>20,40,005</b>	<b>25,85,759</b>
<b>F. Cash &amp; Cash Equivalents as at the close of the year</b>	<b>63,447</b>	<b>20,40,005</b>
<b>Notes:-</b>		
1 Closing Cash and Cash Equivalents include:		
-Cash in hand	350	6,800
-Balance with Scheduled Bank	63,097	2,33,205
-FD with Bank	-	18,00,000
Total	<b>63,447</b>	<b>20,40,005</b>
2 Previous year's figures have been re-arranged and re-cast wherever necessary.		

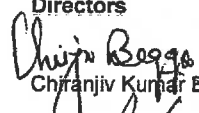

As per our report of even date  
For Lodha & Co.  
Chartered Accountants

  
Gaurav Lodha  
(Partner)  
Membership No. 507462  
Firm Registration No. 301051E  
New Delhi  
Dated: 14<sup>th</sup> May 2018

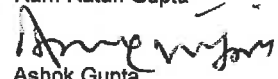


for & on behalf of the board

Directors

  
Chiranjiv Kumar Bagga  
  
Ram Ratan Gupta

  
Manshu Agnihotri  
(Company Secretary)

  
Ashok Gupta