



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
NORTH TOWN ESTATES PRIVATE LIMITED.

### Report on the Financial Statements

We have audited the accompanying financial statements of NORTH TOWN ESTATES 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 Cash Flow 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 Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income) and 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.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

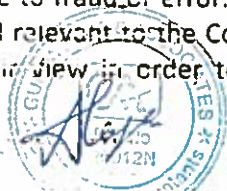
### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the aforesaid Ind AS 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 Ind AS, of the state of affairs(financial position) of the Company as at 31<sup>st</sup> March 2018, its loss (financial performance including other comprehensive income) and 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 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, 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 A". Our report expresses a *disclaimer of opinion* on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- (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;
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. 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 Act, we give in the "Annexure B" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Abhishek Raja & Associates.  
Chartered Accountants  
FRN:-021630N

  
Abhishek Raja  
Partner  
M.NO:506930

Date: 06-09-2018  
Place: New Delhi



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

We have audited the internal financial controls over financial reporting of NORTH TOWN ESTATES PRIVATE LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 maintain internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.



### **Reporting of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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.

For Abhishek Raja & Associates.  
Chartered Accountants  
FRN:-021630N



Abhishek Raja  
Partner  
M.NO:506930

Date: 06-09-2018  
Place: New Delhi



Annexure 'B' to the Independent Auditors' Report to the members of NORTH TOWN ESTATES PRIVATE LIMITED on the Ind AS financial statements for the year ended 31st March 2018 referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The company does not have any immovable property.
- (ii) No inventory.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the provisions of Section 185 and 186 of the companies Act 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 148 of the Companies Act, 2013 for the products of the Company.



- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including service tax and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales-tax, duty of customs, and duty of excise are not applicable to the Company. There was no undisputed amounts payable were in arrears, as at March 31st, 2018 for period of more than six months from the date they became payable.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank, government or debenture holders.
- (ix) Based on information and explanations given to us by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial Statements as required by the applicable accounting standards.



- (xiv) Based on information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Companies Act 2013. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For Abhishek Raja & Associates.

Chartered Accountants

FRN: 021630N



Abhishek Raja

Partner

M.NO:506930

Date: 06-09-2018

Place: New Delhi



**NORTH TOWN ESTATES PRIVATE LIMITED**  
**BALANCE SHEET as at March 31, 2018**

Particulars	Note	Amount in Rs.	
		As at March 31, 2018	As at March 31, 2017
<b>Assets</b>			
<b>Non Current assets</b>			
Property, plant and equipment	3	2,315,654	3,334,584
<b>Financial Assets</b>			
(i) Bank Balance	4	79,426,126	74,448,222
(ii) Other financial assets	5	519,040,993	659,945,383
Deffered tax assets (Net)	6	242,290,551	242,199,878
		<u>843,073,325</u>	<u>979,928,067</u>
<b>Current Assets</b>			
<b>Financial Assets</b>			
(i) Investments	7	10,110,555	30,830,042
(ii) Cash and cash equivalents	8	9,541,673	2,003,318
(iii) Bank balance other than (ii) above	9	53,782,400	46,074,327
(iv) other financial assets	10	30,556,787	30,334,990
Current Tax assets (Net)	11	10,130,195	8,735,592
Other Current assets	12	1,751,144,052	1,357,476,564
		<u>1,865,265,662</u>	<u>1,475,454,833</u>
<b>Total</b>		<u><u>2,708,338,987</u></u>	<u><u>2,455,382,900</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	500,000	500,000
Other Equity	14	(665,542,599)	(531,630,977)
		<u>(665,042,599)</u>	<u>(531,130,977)</u>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	15	844,696,214	442,044,214
		<u>844,696,214</u>	<u>442,044,214</u>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	16	1,656,560,625	1,560,587,322
(ii) Trade and other payables	17	252,607,817	262,260,893
(ii) Other financial liabilities	18	272,187,747	247,129,474
Other current liabilities	19	347,329,183	474,491,974
		<u>2,528,685,372</u>	<u>2,544,469,663</u>
<b>Total</b>		<u><u>2,708,338,987</u></u>	<u><u>2,455,382,900</u></u>

(0)

Summary of significant accounting policies  
Dated: 06-09-2018

1 to 2

As per our report of even date attached to the Balance Sheet

**ABHISHEK RAJA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

FRN: 021630N

Partner  
Membership No. **ABHISHEK RAJA**  
**M. No. 506930**

Place: New Delhi  
Dated: 06-09-2018

For and on behalf of the Board of Directors

*K. Narasappan*

**Narasappan Kannaiyan**  
Director

DIN: 00266527

*OmPrakash Madhav*

**OmPrakash Madhav**  
Director

DIN: 03616030

**NORTH TOWN ESTATES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	Note	Amount in Rs.	
		Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	20	523,515,554	812,801,628
Other income	21	74,551,111	20,183,115
<b>Total income (A)</b>		<b>598,066,665</b>	<b>832,984,743</b>
<b>Expenses:</b>			
Real Estate Project Expenditure	22	657,737,176	881,385,407
Finance costs	23	567,950	26,130
Depreciation and amortization expense	24	909,915	1,223,684
Other expenses	25	72,853,919	18,185,130
<b>Total expenses (B)</b>		<b>732,068,960</b>	<b>900,820,351</b>
<b>Profit before tax C= (A-B)</b>		<b>(134,002,295)</b>	<b>(67,835,608)</b>
Exceptional items		-	-
<b>Profit before tax (D)</b>		<b>(134,002,295)</b>	<b>(67,835,608)</b>
Tax expense:	26		
(1) Current tax		-	-
(2) Deferred tax		(90,673)	(143,946)
<b>Profit/(loss) from operations (E )</b>		<b>(133,911,622)</b>	<b>(67,691,662)</b>
<b>Other comprehensive income</b>			
(a) Items that will be reclassified to profit or loss			
(b) Items that will not be reclassified to profit or loss			
<b>Comprehensive income for the period</b>		-	-
<b>Total comprehensive income for the period</b>		<b>(133,911,622)</b>	<b>(67,691,662)</b>
<b>Earnings per equity share</b>	27		
(1) Basic		(2,678.23)	(1,353.83)
(2) Diluted		(2,678.23)	(1,353.83)

Summary of significant accounting policies 1 to 2  
The note nos. 1 to 43 are integral part of the financial statements

As per our report of even date attached to the Balance Sheet

**ABHISHEK RAJA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

FRN: 021630N

  
  
Partner **ABHISHEK RAJA**  
Membership No. **No. 506930**

For and on behalf of the Board of Directors

  
**Narasappan Kannaiyan**  
Director  
DIN: 00266527

  
**OmPrakash Madhav**  
Director  
DIN: 03616030

Place: New Delhi

Dated: 06-09-2018

**NORTH TOWN ESTATES PRIVATE LIMITED**  
Cash Flow Statement for the Year ended 31st March, 2018

Amount in Rs.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from operating activities</b>		
(Loss) / Profit before tax	(134,002,295)	(67,835,608)
Adjustment for		
Depreciation	909,915	1,223,684
Dividend income	(1,472,523)	(2,199,419)
Gain on investment	419,487	(530,042)
Interest income	(7,384,060)	(5,567,449)
	<u>(141,529,476)</u>	<u>(74,908,834)</u>
Adjustment for		
Financial & other assets	(253,157,582)	106,884,007
Financial & other liabilities	(111,757,594)	(311,854,950)
<b>Cash generated from operations</b>	<u>(506,444,653)</u>	<u>(279,879,777)</u>
Taxes paid	(1,394,603)	(18,581,300)
<b>Net cash from operating activities (A)</b>	<u>(507,839,256)</u>	<u>(298,461,077)</u>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	109,015	(686,691)
Interest received	7,556,747	5,394,762
Dividend received	1,472,523	2,199,419
Investment made	20,300,000	(30,300,000)
<b>Net cash flow from investing activities (B)</b>	<u>29,438,285</u>	<u>(23,392,510)</u>
<b>Cash flow from financing activities</b>		
Proceeds / (repayments) of borrowings	498,625,303	395,544,541
Fixed Bank Deposits	(4,977,904)	(74,448,222)
<b>Net cash flow from financing activities (C)</b>	<u>493,647,399</u>	<u>321,096,319</u>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<u>15,246,428</u>	<u>(757,268)</u>
Cash and cash equivalent at the beginning of the year	<u>48,077,645</u>	<u>48,834,913</u>
<b>Cash and cash equivalent at the end of the year</b>	<u>63,324,073</u>	<u>48,077,645</u>
<b>Components of cash and cash equivalents</b>		
Balance with banks		
- in current account	9,244,645	1,725,878
- in deposit account (with maturity of 3 months or less)	17,068,391	14,329,945
- Balance in Escrow Account	36,714,009	31,744,382
Cash on hand	297,028	277,440
<b>Total cash and cash equivalents</b>	<u>63,324,073</u>	<u>48,077,645</u>

Significant accounting policies

1 to 2

The accompanying notes are integral part of the financial statements

As per our report of even date

Abhishek Raja & Associates

Chartered Accountants

FRN: 021630N

For and on behalf of the Board of Directors

Partner **ABHISHEK RAJA**  
Membership No. 500330

K. Narasappa  
Narasappa Kannaiyan  
Director  
DIN: 00266527

OmPrakash Madhav  
Director  
DIN: 03616030

Place: New Delhi

Dated: 06-09-2018

**NORTH TOWN ESTATES PRIVATE LIMITED**

**Statement of changes in Equity as on 31 March 2018**

**a. Equity share capital**

Amount in Rs.

Particulars	As on 31 March 2018	As on 31 March 2017
Equity		
Equity Share Capital	500,000	500,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>

**b. Other equity**

**Reserve & Surplus**

Particulars	Retained Earnings	Total
Balance at 1 April 2016	(463,939,315)	(463,939,315)
Profit / (Loss) for the year	(67,691,662)	(67,691,662)
Add: Transfer to general reserve		
Less: Dividend		
<b>Balance at 31 March 2017</b>	<b>(531,630,977)</b>	<b>(531,630,977)</b>

Particulars	Retained Earnings	Total
Balance at 1 April 2017	(531,630,977)	(531,630,977)
Profit / (Loss) for the year	(133,911,622)	(133,911,622)
Add: Transfer to general reserve		
Less: Dividend		
<b>Balance at 31 March 2018</b>	<b>(665,542,599)</b>	<b>(665,542,599)</b>

Summary of significant accounting policies

1 to 2

The note nos. 1 to 43 are integral part of the financial statements

As per our report of even date attached to the Balance Sheet

**ABHISHEK RAJA & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

FRN: 021630N

For and on behalf of the Board of Directors




Partner **ABHISHEK RAJA**  
Membership No. M. No. 500000



**Narasappan Kannaiyan**

Director

DIN: 00266527



**OmPrakash Madhav**

Director

DIN: 03616030

Place: New Delhi

Dated: 06-09-2018

## **NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

### **1. Corporate Information of the Company:-**

North Town Estates Private Limited ('the Company') was incorporated in 2008, and is a real estate developer in India. The Company's main line of business is real estate development and related activities including construction and consultancy services.

### **2. Significant Accounting Policies**

#### **a) Basis of preparation:-**

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price 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. Financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

Company's financial statements are presented in Indian Rupees, which is also its functional currency.

#### **b) Historical cost convention:-**

The financial statements have been prepared on accrual basis and under the historical cost convention.

#### **c) Use of Estimates:-**

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### **d) Summary of Significant Accounting Policy:**

##### **1. Inventories:-**

Inventories are valued at lower of weighted average cost and net realizable value.

Cost of inventories shall comprise of all cost of purchase, taxes and other costs incurred in bringing the inventories to their present location and condition.

##### **2. Tax Expenses:- (TO BE CHECKED)**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- Current tax:



**NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**- Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of the reporting period. The Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

**Current Tax:-**Current Income tax relating to items recognized outside the profit and loss is recognized outside the profit and loss (either in other comprehensive income or in equity)

**MAT:-** Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period. Mat are recognized under other non-current assets.

**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 purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment



## **NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will not be available against which deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are recognized for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

### **3. Fair Value Measurement:-**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



## **NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **4. Financial Instrument**

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.

Financial asset is any assets that is

Cash;

an equity instrument of another entity;

a contractual right:

(i) to receive cash or another financial asset from another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or

a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets includes Security deposits ,trade receivable, loan to body corporate, loan to employees, and other eligible current and non-current assets

Financial Liability is any liabilities that is

a contractual obligation :

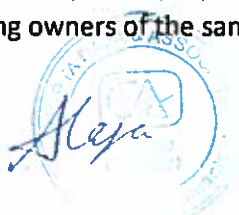
(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.





**NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

Financial liabilities includes Loans, trade payable and eligible current and non-current liabilities

**i. Classification:-**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both: the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or fair value through profit or loss.

**ii. Initial recognition and measurement:-**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value at initial recognition, plus or minus, any transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss.

**iii. Financial assets subsequent measurement:-**

Financial assets as subsequent measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities as subsequent measured at amortised cost or fair value through profit or loss

**iv. Effective interest method :-**

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form integral



## **NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial a classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### **v. Trade Receivables:-**

Trade receivables are the contractual right to receive cash or other financial assets and recognized initially at fair value. Subsequently measured at amortised cost (Initial fair value less expected credit loss). Expected credit loss is the difference between all contractual cash flows that are due to the company and all that the company expects to receive (i.e. all cash shortfall), discounted at the effective interest rate.

### **vi. Cash and cash Equivalents:-**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### **vii. Impairment of Financial Assets:-**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

### **viii. Financial liabilities:-**

Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. These are subsequently carried at amortized cost using the effective interest method or fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

### **ix. Trade payables :-**

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year and which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 3 years after the reporting period or not paid/payable within operating cycle. They are



## **NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### **x. Borrowings:-**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### **5. Provision and Contingent Liability:-**

- i. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- ii. Contingent liabilities, if material, are disclosed by way of notes unless the possibility of an outflow of resources embodying the economic benefit is remote and contingent assets, if any, is disclosed in the notes to financial statements.
- iii. A provision is recognized, when company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.

### **6. Earnings Per Share**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

**7. Operating cycle:-**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 3 years for the purpose of classification of its assets and liabilities as current and non-current.



**NORTH TOWN ESTATES PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note-3 Property, Plant & Equipment**

Amount in Rs.

Particulars	Plant & Machinery	Furniture & Fittings	Office Equipments	Vehicles	Computers	Total
<b>Cost or deemed cost</b>						
As at April 1, 2016	2,360,243	301,992	2,011,793	1,632,901	2,150,939	8,457,868
Additions	-	212,375	429,366	-	44,950	686,691
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>2,360,243</b>	<b>514,367</b>	<b>2,441,159</b>	<b>1,632,901</b>	<b>2,195,889</b>	<b>9,144,559</b>
Additions	-	-	47,445	-	68,409	115,854
Disposals	-	-	-	832,781	-	832,781
Other adjustments	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>2,360,243</b>	<b>514,367</b>	<b>2,488,604</b>	<b>800,120</b>	<b>2,264,298</b>	<b>8,427,632</b>
<b>Accumulated Depreciation</b>						
As at April 1, 2016	909,542	85,631	1,086,705	736,128	1,768,285	4,586,291
Charge for the year	209,528	48,732	463,555	203,208	298,661	1,223,684
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>1,119,070</b>	<b>134,363</b>	<b>1,550,260</b>	<b>939,336</b>	<b>2,066,946</b>	<b>5,809,975</b>
Charge for the year	209,528	51,407	366,684	169,293	113,003	909,915
Disposals	-	-	-	607,912	-	607,912
Other adjustments	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>1,328,598</b>	<b>185,770</b>	<b>1,916,944</b>	<b>500,717</b>	<b>2,179,949</b>	<b>6,111,978</b>
<b>Net Carrying Value(As at March 31, 2017)</b>	<b>1,241,173</b>	<b>380,004</b>	<b>890,899</b>	<b>693,565</b>	<b>128,943</b>	<b>3,334,584</b>
<b>Net Carrying Value(As at March 31, 2018)</b>	<b>1,031,645</b>	<b>328,597</b>	<b>571,660</b>	<b>299,403</b>	<b>84,349</b>	<b>2,315,654</b>



NORTH TOWN ESTATES PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amount in Rs.

Note	Particulars	Amount in Rs.	
		As at 31 March 2018	As at 31 March 2017
4	<b>Bank Balance</b>		
	Fixed Deposits more than 12 months from B/S date	79,426,126	74,448,222
		<u>79,426,126</u>	<u>74,448,222</u>
5	<b>Other financial assets</b>		
	Security Deposits	518,913,204	659,694,979
	Interest accrued on fixed deposit with banks more than 12 months	127,789	250,404
		<u>519,040,993</u>	<u>659,945,383</u>
6	<b>Deferred tax assets (net)</b>		
	<b>Deferred tax assets on account of</b>		
	On account of loss carried forward	242,063,049	242,063,049
	On account of depreciation	227,502	136,829
	On account of employee benefits		
		<u>242,290,551</u>	<u>242,199,878</u>
	<b>Deferred tax liabilities on account of</b>		
	On account of loss		
	On account of depreciation		
		<u>-</u>	<u>-</u>
		<u>242,290,551</u>	<u>242,199,878</u>
	<b>Reconciliation of Deferred Tax Asset/ (Liabilities):</b>		
	<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
	Opening Balance as on 1st April	242,199,878	242,055,932
	Deferred tax income/ (expense) during the period recognised in profit & loss	90,673	143,946
	<b>Closing Balance</b>	<u>242,290,551</u>	<u>242,199,878</u>
7	<b>Current investments</b>		
	<b>Quoted</b>		
	Investments in Mutual Fund		
	Birla Sun Life Cash Manager Fund Institutional Plan	10,110,555	30,830,042
	No. of units 78611.808		
		<u>10,110,555</u>	<u>30,830,042</u>
	NAV of units of mutual funds	10,110,555	30,830,042



Note	Particulars	As at 31 March 2018	As at 31 March 2017
8	<b>Cash bank balances</b>		
	Balance with banks current accounts	9,244,645	1,725,878
	Cash on hand	297,028	277,440
		<u>9,541,673</u>	<u>2,003,318</u>
9	<b>Other Bank balances</b>		
	Balance in Escrow Account	36,714,009	31,744,382
	Deposits with maturity for less than 12 months	17,068,391	14,329,945
		<u>53,782,400</u>	<u>46,074,327</u>
10	<b>Other financial assets- Current</b>		
	Interest accrued on fixed deposit with banks & Other deposits	2,802,082	2,974,769
	Advances to related parties	27,754,705	27,360,221
		<u>30,556,787</u>	<u>30,334,990</u>
11	<b>Current tax assets</b>		
	Advance income tax/TDS	22,570,195	21,592,837
	Less: Provision for Income Tax	12,440,000	12,857,245
		<u>10,130,195</u>	<u>8,735,592</u>
12	<b>Other current assets</b>		
	Advances to Vendors	409,097,601	435,711,418
	Prepaid expenses	81,060,746	67,184,696
	Staff imprest & advances	2,278,636	1,337,809
	Project in Progress On which revenue is not recognised	128,186,568	128,186,568
	Project in Progress On which revenue is recognised	1,073,466,762	700,676,480
	Dues from Govt authorities	57,053,739	24,379,593
		<u>1,751,144,052</u>	<u>1,357,476,564</u>

**NORTH TOWN ESTATES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

**13 Share Capital**

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017
Authorised		
50,000 (31st March, 2017: 50,000 ) Equity shares of ₹ 10 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, subscribed & fully paid up		
50,000 (31st March 2017 :50,000 ) Equity Shares of ₹ 10 each with voting rights	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

a) Reconciliation of the number of shares outstanding at the beginning and end of the year

Equity Shares	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Shares outstanding at the beginning of the year	50,000	50,000
Add: issued during the year	-	-
Shares outstanding at the end of the year	<u>50,000</u>	<u>50,000</u>

b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid				
Unitech Limited	17,500	35.00%	17,500	35.00%
Arihant Foundation & Housing Limited	32,500	65.00%	32,500	65.00%

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

d) During the five years immediately preceding 31st March, 2018, the Company has not allotted any equity shares as bonus shares and also not issued any share for consideration other than cash.





**NORTH TOWN ESTATES PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL FOR THE YEAR ENDED MARCH 31, 2018**

**14 Other Equity excluding non controlling interest**

Amount in Rs.

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(i) Retained Earning</b>		
Opening balance	(531,630,977)	(463,939,315)
Profit/(Loss) for the year	(133,911,622)	(67,691,662)
<b>Net surplus in the statement of profit and loss</b>	<b>(665,542,599)</b>	<b>(531,630,977)</b>
<b>Total</b>	<b>(665,542,599)</b>	<b>(531,630,977)</b>
<b>ii) Other comprehensive Income</b>		
Remeasurement of Defined benefit plan		
Addition/Deduction during the year		
Closing balance	-	-
	<b>(665,542,599)</b>	<b>(531,630,977)</b>



Note	Particulars	As at 31 March 2018	As at 31 March 2017
15	<b>Borrowings (Non-Current)</b>		
	Secured		
	Non Convertible Debenture		
	From financial institutions	844,696,214	442,044,214
		<u>844,696,214</u>	<u>442,044,214</u>
		<u>844,696,214</u>	<u>442,044,214</u>
		<u>844,696,214</u>	<u>442,044,214</u>
16	<b>Borrowings (current)</b>		
	Unsecured		
	Loans and advances from related parties	1,656,560,625	1,560,587,322
		<u>1,656,560,625</u>	<u>1,560,587,322</u>
		<u>1,656,560,625</u>	<u>1,560,587,322</u>
17	<b>Trade payables</b>		
	Medium & small enterprises	-	-
	Others	252,607,817	262,260,893
		<u>252,607,817</u>	<u>262,260,893</u>
		<u>252,607,817</u>	<u>262,260,893</u>
18	<b>Other financial liabilities- Current</b>		
	Statutory due payable	8,015,275	9,492,213
	Employee payable	7,490,310	6,923,951
	Security deposits	135,641,528	110,922,717
	Others payables	121,040,634	119,790,593
		<u>272,187,747</u>	<u>247,129,474</u>
		<u>272,187,747</u>	<u>247,129,474</u>
19	<b>Other current liabilities</b>		
	Advance received from customer	347,329,183	474,491,974
		<u>347,329,183</u>	<u>474,491,974</u>
		<u>347,329,183</u>	<u>474,491,974</u>



**NORTH TOWN ESTATES PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Amount in Rs.

Note	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
20	<b>Revenue from operation</b>		
	<b>Sale of services</b>		
	Income recognised on percentage of completion method	488,061,493	749,515,699
	Reversal of Provision of Loss on Real Estate Project	35,454,061	63,285,929
		<b>523,515,554</b>	<b>812,801,628</b>
21	<b>Other income</b>		
	Rent	60,000	54,920
	<b>Interest from</b>		
	Bank deposits	7,384,060	5,567,449
	Dividend received	1,472,523	2,199,419
	Insurance claim receipts	-	5,000,000
	Gain on investment	(419,487)	530,042
	Maintenance Income	58,172,534	-
	Miscellaneous income	7,881,481	6,831,285
		<b>74,551,111</b>	<b>20,183,115</b>
22	<b>Real Estate Project Expenditure</b>		
	Project cost - ongoing real estate project	-	-
	Project cost - percentage of completion method	657,737,176	881,385,407
		<b>657,737,176</b>	<b>881,385,407</b>
23	<b>Finance cost</b>		
	Other Borrowing cost	567,950	26,130
		<b>567,950</b>	<b>26,130</b>
24	<b>Depreciation and amortization expense</b>		
	Depreciation on tangible assets	909,915	1,223,684
	Amortization of intangible assets	-	-
		<b>909,915</b>	<b>1,223,684</b>
25	<b>Other expenses</b>		
	Legal and professional charges	2,004,000	1,135,830
	Advertising and promotional expenses	8,469,562	1,286,755
	Interest & penalty	125,037	14,948
	Commission paid to selling agents	1,764,884	309,317
	Maintenance expenses	60,113,567	15,169,234
	Miscellaneous expenses	77,000	62,262
	Other administrative general expenses	-	41,784
	Auditor's remuneration	-	-
	For audit	150,000	150,000
	For tax audit	25,000	15,000
	Loss on Sale of Tangible Assets	124,869	-
		<b>72,853,919</b>	<b>18,185,130</b>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amount in Rs.

Note	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
------	-------------	------------------------------	------------------------------

26 Tax Expenses

Current Tax  
Deferred tax  
Total

-	-
(90,673)	(143,946)
(90,673)	(143,946)

**Effective tax Reconciliation :**

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

Net Loss/(Income) before taxes	134,002,295	67,835,608
Enacted tax rates for parent company i.e. North Town Estate Pvt Ltd	34.61%	34.61%
Computed tax Income/(expense)	46,375,514	23,476,547
<b>Increase/(reduction) in taxes on account of:</b>		
Loss on Real State projects	20,755,198	20,755,198
Income tax income reported	67,130,712	44,231,745
Effective Income tax rate	50.10%	65.20%

27 Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Year ended 31st March,2018	Year ended 31st March,2017
A Net profit/ (loss) as attributable for equity shareholders	(133,911,622)	(67,691,662)
Weighted average number of equity shares in calculating basic/diluted		
B EPS	50,000	50,000
Basic Earnings per Share (₹) (A/B)	(2,678.23)	(1,353.83)
Diluted Earnings per Share (₹) (A/B)	(2,678.23)	(1,353.83)

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

28 Contingent liability as on 31st March 2018 is Nil (31st March 2017- Nil)

29 As per information available with the company, the Trade Payables do not include any amount due to Micro, Small and Medium Enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March 2018.

30 Segment reporting:

The company has only one business i.e. of Real Estate. Therefore Segment reporting is not applicable to the Company as per Ind AS 108 "segments".



NORTH TOWN ESTATES PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

31. Fair value of financial assets and liabilities  
Class wise composition of carrying amount and fair value of financial assets and liabilities that are

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at amortised cost</b>				
Fixed deposits with banks (Non Current)	79,426,126	79,426,126	74,448,222	74,448,222
Cash and bank balances	63,324,073	63,324,073	48,077,645	48,077,645
Other financial assets (Non Current)	519,040,993	519,040,993	659,945,383	659,945,383
Other financial assets (Current)	30,556,787	30,556,787	30,334,990	30,334,990
Financial Asset at fair value through profit or loss : Investment (Current )	10,110,555	10,110,555	30,830,042	30,830,042
<b>Financial Liabilities at amortised cost</b>				
Borrowings (Non Current )	844,696,214	844,696,214	442,044,214	442,044,214
Borrowings (Current )	1,656,560,625	1,656,560,625	1,560,587,322	1,560,587,322
Trade & other payables	252,607,817	252,607,817	262,260,893	262,260,893
Other financial liabilities (Current )	272,187,747	272,187,747	247,129,474	247,129,474

**Fair value hierarchy**

The Company uses the following hierarchy for fair

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: other techniques for which all inputs which

Level 3: techniques which use inputs that have a

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3:

Particulars	31.03.2018		31.03.2017	
	Carrying Value	Levels	Carrying Value	Valuation
<b>Financial Assets at amortised cost :</b>				
Other financial assets	519,040,993	level 3	659,945,383	flow method
Financial Asset at fair value through profit or loss : Investment (Current )	10,110,555.00	level 1	30,830,042.00	price
<b>Financial Liabilities at amortised cost :</b>				
Borrowings (Non Current )	844,696,214	level 3	442,044,214	flow method
Borrowings (Current )	1,656,560,625	level 3	1,560,587,322	flow method

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or 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) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance of the Company is considered to be insignificant in valuation.
- 3) IND AS 101 allow Company to carry property, plant and machinery on transition to IND AS at carrying value as deemed cost, the Company has adopted carrying value as deemed cost of property, plant and equipment.

NORTH TOWN ESTATES PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

32 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's financial assets comprise investments, trade and other receivables, loan and other receivables, cash, and deposits that arise directly from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments. The sensitivity analysis in the following sections relate to the position as at 31st March 2018 and 31st March 2017.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, the Company performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) the exposure of the Company's borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	31st March, 2018	31st March, 2017
Variable rate borrowings	-	-
Fixed rate borrowings	844,696,214	442,044,214
<b>Total borrowings</b>	<b>844,696,214</b>	<b>442,044,214</b>

II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

III. Liquidity Risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at 31-03-2018	Carrying Amount	On Demand	Less than 1 year	More than 1 year	Total
Borrowings	2,501,256,839	1,656,560,625	-	844,696,214	2,501,256,839
Trade payables	252,607,817	-	252,607,817	-	252,607,817
Other financial liabilities	272,187,747	-	272,187,747	-	272,187,747
<b>Total</b>	<b>3,026,052,403</b>	<b>1,656,560,625</b>	<b>524,795,564</b>	<b>844,696,214</b>	<b>3,026,052,403</b>

As at 31-03-2017	Carrying Amount	On Demand	Less than 1 year	More than 1 year	Total
Borrowings	2,002,631,536	1,560,587,322	-	442,044,214	2,002,631,536
Trade payables	262,260,893	-	262,260,893	-	262,260,893
Other financial liabilities	247,129,474	-	247,129,474	-	247,129,474
<b>Total</b>	<b>2,512,021,903</b>	<b>1,560,587,322</b>	<b>509,390,367</b>	<b>442,044,214</b>	<b>2,512,021,903</b>



**NORTH TOWN ESTATES PRIVATE LIMITED****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH,2018****33 Capital Risk Management**

The Company manages its capital structures and makes adjustment in light of changes in economic conditions and requirements of financing covenants. To this end the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Particulars	As at 31st March 2018	As at 31st March 2017
Debt	2,501,256,839	2,002,631,536
Cash & bank balances	(142,750,199)	(122,525,867)
Net Debt	2,358,506,640	1,880,105,669
Total Equity	(665,042,599)	(531,130,977)
Total Equity and Net Debt	1,693,464,041	1,348,974,692
Gearing Ratio	139%	139%

**Notes-**

- (i) Debt is defined as long-term and short-term borrowings including current maturities as described in notes 16 and 17.
- (ii) Equity includes all capital and reserves of the Company that are managed as capital.



**NORTH TOWN ESTATES PRIVATE LIMITED**Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

34. In the opinion of the Board of Directors and to the best of their knowledge and belief, the aggregate value of current assets and loans and advances on realization in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

35. Balances under current assets, trade payables and other current liabilities are subject to confirmation and reconciliation, the final adjustment entry if any, shall be made after reconciliation.

**36. Related parties disclosure:**

In Accordance with Indian Accounting Standard IND AS-24 on Related Party Disclosures' the disclosures in respect of related parties and the transactions with them as identified and certified by the management are as follows:

## i) Name of related parties and description of relationship where transaction exists:

(i) Companies owning directly or indirectly, an interest in the voting power of the reporting enterprise:

- a) Unitech Limited (UL)
- b) Arihant Foundations & Housing Ltd. (AFHL)
- c) Arihant Unitech Realty Projects Ltd. (Associate)

## ii) Summary of significant related parties transactions carried out in ordinary course of business are as under:

(Amount in ₹)

Sl No.	Description	Company (UL)	Company (AFHL)	Associate	Total
1.	Advances paid	1,76,520 (7,13,043)	7,69,575 (3,79,630)	2,46,92,251 (20,62,78,294)	2,56,38,346 (20,73,70,967)
2.	Advances received	- (-)	1,98,571 (-)	12,06,65,555 (7,19,55,780)	12,08,64,126 (7,19,55,780)
3.	Interest paid	- (-)	- (-)	10,17,89,505 (9,75,80,934)	10,17,89,505 (9,75,80,934)

## iii) The maximum amount of loans / advances outstanding during the year are as follows:

S.No.	Description	Maximum balance during the year ended 31.03.2018 (₹)	Maximum balance during the year ended 31.03.2017 (₹)
1	Unitech Ltd.	2,68,49,789	2,68,49,789
2	Arihant Foundations & Housing Ltd.	10,81,436	5,20,432
3	Arihant Unitech Realty Projects Ltd.	81,65,60,625	76,85,86,995





**NORTH TOWN ESTATES PRIVATE LIMITED**Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

iv) Balance as at 31-03-2018:

Sl No.	Description	Net balance 31.03.2017 (in ₹)	Dr. / Cr.
1.	Arihant Foundations& Housing Ltd. (Short Term Loans and Advances)	5,10,432 (5,10,432)	Dr. Dr.
2.	Unitech Ltd.(Short Term Loans and Advances)	2,68,49,789 (2,68,49,789)	Dr. Dr.
3.	Arihant Unitech Realty Projects Ltd. (Short term borrowings)	72,05,87,321 (81,65,60,625)	Cr. Cr.
4.	Arihant Foundations& Housing Ltd. (Short Term borrowings)	50,00,00,000 (50,00,00,000)	Cr. Cr.
5.	Unitech Ltd.(Short Term borrowings)	34,00,00,000 (34,00,00,000)	Cr. Cr.
6.	Unitech Ltd.(Short Term borrowings)	34,00,00,000 (34,00,00,000)	Cr. Cr.

\* Previous year figures have been given in (parentheses)

**37. ADDITIONAL INFORMATION:**

	Particulars	31.03.2017	31.03.2016
a)	Value of Imports on CIF basis	Nil	Nil
b)	Expenditure in foreign currency		
	- Consultancy fees	Nil	Nil
	- Travelling & boarding	Nil	Nil
c)	Consumption of imported raw material, components and spare parts	Nil	Nil
d)	Earnings in foreign currency	Nil	Nil
e)	Amount remitted in foreign currency towards dividend	Nil	Nil

38. The Company has incurred losses in the previous year and as on date its liabilities have been exceeded to its assets. The company is dependent upon the continuing financial support of its holding company after which its ability to continue as a going concern and discharge its liabilities in the ordinary course of business is ensured/confirmed. The holding company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.



**NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2018

**39. PREVIOUS YEAR FIGURES**

Prior year figures have been regrouped, rearranged and reclassified wherever considered necessary.

As per our report of even date attached

For Abhishek Raja & Associates  
Chartered Accountants

FRN: 021630M

  
Partner **ABHISHEK RAJA**  
Membership No. 500030

For and on behalf of the Board of directors

  
Narasappan Kannaiyan  
Director  
DIN: 00266527

  
OmPrakash Madhav  
Director  
DIN: 03616030

Place: New Delhi

Dated: 06-09-2018