



INDEPENDENT AUDITOR'S REPORT

To the Members of NORTH TOWN ESTATES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of North Town Estates Private Limited, which comprise the Balance Sheet as at 31 March 2019, and the statement of Profit and Loss, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



## **Responsibility of Management for 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, of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, is not applicable in the case of the Company for the financial year ending as on 31st March 2019.

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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable;

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



(f) In my opinion and to the best of my information and according to the explanations given to me, the provisions of section 143(3)(i) for reporting on adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls of the company, are not applicable and;

(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.

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



Abhishek Raja  
Partner  
M.No:506930  
UDIN: 19506930AAABAK4187

Place of Signature :Delhi  
Date : 27/09/2019



**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure 'B' to the Independent Auditors' Report to the member of NORTH TOWN ESTATES PRIVATE LIMITED on the financial statement for the year ended 31<sup>st</sup> March, 2019 referred to in Paragraph 2 of 'Report on other legal and Regulatory Requirements' of our report.

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) These fixed assets have been physically verified by the management at reasonable intervals, no Material discrepancies were noticed on such verification.
2. The company does not have any inventory; hence the provisions of this clause are not applicable
3. In our opinion and according to the information and explanations given to us, the company has granted loans, unsecured to other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has complied provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
5. According to information and explanations given to us the company has not accepted any deposits from the public. Therefore, the provisions of Clause (v) of paragraph 3 of CARO 2016 is not applicable to the company.
6. To best of our knowledge and as explained, Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax and other statutory dues applicable to it.  
(b) According to information and explanations given to us, there are no dues of income tax which have not been deposited on account of any dispute. The provisions relating to sales tax, service tax, duty of custom, duty of excise and value added tax not applicable to the company.
8. The company has not defaulted in repayment of any loan or borrowing from any financial institution, bank and Government or debenture holder. Accordingly, the provisions of clause 3(viii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
9. Based on information and explanations given to us by 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.
10. Based upon 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.
11. Managerial remuneration is in accordance with the requisite approvals mandated by the provisions of





section 197 read with Schedule V to the Companies Act, 2013.

12. In our opinion 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.
13. Based on the information and explanations given to us by management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based on information and explanations given to us by 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.
15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him which is covered by section 192 of companies Act 2013.
16. 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.

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



Abhishek Raja  
Partner  
M.No:506930  
UDIN: 19506930AAABAK4187

Place of Signature: New Delhi  
Date: 27/09/2019

## **ANNEXURE - B TO THE AUDITORS' REPORT**

### **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 31 March 2019 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 March 2019, 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 Abhishek Raja & Associates  
Chartered Accountants  
FRN:-021630N


Abhishek Raja  
Partner  
M.No:506930  
UDIN: 19506930AAABAK4187

Date : 27/09/2019  
Place : New Delhi



## **NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2019

### **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:-**

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**

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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 an 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, 2019

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, 2019

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, 2019

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**

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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, 2019

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, 2019

**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.

*Alga*



**NORTH TOWN ESTATES PRIVATE LIMITED**  
**BALANCE SHEET as at March 31, 2019**

Particulars	Note	Amount in Rs.	
		As at March 31, 2019	As at March 31, 2018
<b>Assets</b>			
<b>Non Current assets</b>			
Property, plant and equipment	3	1,538,483	2,315,654
<b>Financial Assets</b>			
(i) Bank Balance	4	84,736,873	79,426,126
(ii) Other financial assets	5	486,444,343	519,040,993
Deferred tax assets (Net)	6	242,445,875	242,290,551
		<u>815,165,574</u>	<u>843,073,325</u>
<b>Current Assets</b>			
<b>Financial Assets</b>			
(i) Investments	7	25,084,634	10,110,555
(ii) Cash and cash equivalents	8	10,573,019	9,541,673
(iii) Bank balance other than (ii) above	9	52,006,370	53,782,400
(iv) other financial assets	10	29,365,009	30,556,787
Current Tax assets (Net)	11	14,035,809	10,130,195
Other Current assets	12	1,658,965,713	1,751,144,052
		<u>1,790,030,554</u>	<u>1,865,265,662</u>
<b>Total</b>		<u><b>2,605,196,129</b></u>	<u><b>2,708,338,987</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	500,000	500,000
Other Equity	14	(670,013,956)	(665,542,599)
		<u>(669,513,956)</u>	<u>(665,042,599)</u>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	15	1,072,534,566	844,696,214
		<u>1,072,534,566</u>	<u>844,696,214</u>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	16	1,665,728,546	1,656,560,625
(ii) Trade and other payables	17	245,911,699	252,607,817
(ii) Other financial liabilities	18	283,961,231	272,187,747
(iii) Other current liabilities	19	6,574,043	347,329,183
		<u>2,202,175,519</u>	<u>2,528,685,372</u>
<b>Total</b>		<u><b>2,605,196,129</b></u>	<u><b>2,708,338,987</b></u>

Summary of significant accounting policies

1 to 2

Dated:

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

**ABHISHEK RAJA & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

FRN: 021630N

Partner

Membership No.506930

Certificate (UDIN) NO. 19506930AAABAK4187



For and on behalf of the Board of Directors

*K. Narasappa*  
Narasappa Kannaiyan  
Director  
DIN: 00266527

*OmPrakash Madhav*  
OmPrakash Madhav  
Director  
DIN: 03616030

Place: New Delhi

Dated: 27-09-2019

**NORTH TOWN ESTATES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	Note	Amount in Rs.	
		Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	20	526,353,645	523,515,554
Other income	21	69,075,904	74,551,111
<b>Total income (A)</b>		<b>595,429,549</b>	<b>598,066,665</b>
<b>Expenses:</b>			
Real Estate Project Expenditure	22	526,617,801	657,737,176
Finance costs	23	880,135	567,950
Depreciation and amortization expense	24	624,989	909,915
Other expenses	25	71,933,305	72,853,919
<b>Total expenses (B)</b>		<b>600,056,230</b>	<b>732,068,960</b>
<b>Profit before tax C= (A-B)</b>		<b>(4,626,681)</b>	<b>(134,002,295)</b>
Exceptional items		-	-
<b>Profit before tax (D)</b>		<b>(4,626,681)</b>	<b>(134,002,295)</b>
Tax expense:	26		
(1) Current tax		-	-
(2) Deferred tax		(155,324)	(90,673)
<b>Profit/(loss) from operations (E)</b>		<b>(4,471,357)</b>	<b>(133,911,622)</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>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(4,471,357)</b>	<b>(133,911,622)</b>
<b>Earnings per equity share</b>	27		
(1) Basic		(89.43)	(2,678.23)
(2) Diluted		(89.43)	(2,678.23)

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

Membership No. 506930

Certificate (UDIN) NO. 19506930AAABAK4187

For and on behalf of the Board of Directors

Narasappan Kannaiyan

Director

DIN: 00266527

OmPrakash Madhav

Director

DIN: 03616030

Place: New Delhi

Dated: 27-09-2019



**NORTH TOWN ESTATES PRIVATE LIMITED**  
**Cash Flow Statement for the Year ended 31st March, 2019**

Particulars	Amount in Rs.	
	Year ended: March 31, 2019	Year ended: March 31, 2018
<b>Cash flow from operating activities</b>		
(Loss) / Profit before tax	(4,626,681)	(134,002,295)
Adjustment for		
Depreciation	624,989	909,915
Dividend income	(571,215)	(1,472,523)
Gain on investment	25,921	419,487
Interest income	(8,600,538)	(7,384,060)
	<b>(13,147,524)</b>	<b>(141,529,476)</b>
<b>Adjustment for</b>		
Financial & other assets	125,966,767	(253,157,582)
Financial & other liabilities	(335,677,774)	(111,757,594)
<b>Cash generated from operations</b>	<b>(222,858,531)</b>	<b>(506,444,653)</b>
Taxes paid	(3,905,614)	(1,394,603)
<b>Net cash from operating activities (A)</b>	<b>(226,764,145)</b>	<b>(507,839,256)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	152,182	109,015
Interest received	8,600,538	7,556,747
Dividend received	571,215	1,472,523
Investment made	(15,000,000)	20,300,000
<b>Net cash flow from investing activities (B)</b>	<b>(5,676,065)</b>	<b>29,438,285</b>
<b>Cash flow from financing activities</b>		
Proceeds / (repayments) of borrowings	237,006,273	498,625,303
Fixed Bank Deposits	(5,310,747)	(4,977,904)
<b>Net cash flow from financing activities (C)</b>	<b>231,695,526</b>	<b>493,647,399</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(744,683)</b>	<b>15,246,428</b>
<b>Cash and cash equivalent at the beginning of the year</b>	<b>63,324,073</b>	<b>48,077,645</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>62,579,390</b>	<b>63,324,073</b>
<b>Components of cash and cash equivalents</b>		
Balance with banks		
- in current account	10,282,187	9,244,645
- in deposit account (with maturity of 3 months or less)	22,271,800	17,068,391
- Balance in Escrow Account	29,734,570	36,714,009
Cash on hand	290,832	297,028
<b>Total cash and cash equivalents</b>	<b>62,579,390</b>	<b>63,324,073</b>

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



Partner

Membership No.506930

Certificate (UDIN) NO. 19506930AAABAK4187

For and on behalf of the Board of Directors

*K. Narasally*  
**K. Narasally**  
 Director

DIN: 00266527

*OmPrakash Madhav*  
**OmPrakash Madhav**  
 Director

DIN: 03616030

Place: New Delhi

Dated: 27-09-2019

**NORTH TOWN ESTATES PRIVATE LIMITED**  
**Statement of changes in Equity as on 31 March 2019**

a. Equity share capital		Amount in Rs.
Particulars	As on 31 March 2019	As on 31 March 2018
Equity		
Equity Share Capital	500,000	500,000
Total	500,000	500,000

**b. Other equity**

Particulars	Reserve & Surplus	
	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		
Balance at 31 March 2018	(665,542,599)	(665,542,599)

Particulars	Retained Earnings	Total
Balance at 1 April 2018	(665,542,599)	(665,542,599)
Profit /(Loss) for the year	(4,471,357)	(4,471,357)
Add: Transfer to general reserve		
Less: Dividend		
Balance at 31 March 2019	(670,013,956)	(670,013,956)

Summary of significant accounting policies

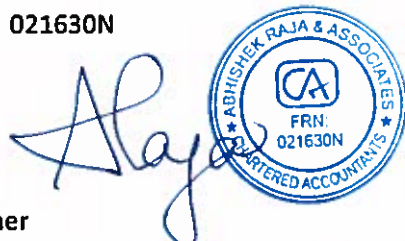
1 to 2

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  
Membership No.506930  
Certificate (UDIN) NO. 19506930AAABAK4187

For and on behalf of the Board of Directors

*K. Narasappan Kannaiyan*

Narasappan Kannaiyan  
Director  
DIN: 00266527

*OmPrakash Madhav*

OmPrakash Madhav  
Director  
DIN: 03616030

Place: New Delhi  
Dated: 27-09-2019

# North Town Estates Private Limited

Notes to the Financial Statements for the period ended 31st Mar'2019

(Figures in ₹)

3 Tangible Assets		Owned Assets					
		Plant and Machinery	Furniture and Fixtures	Office Equipments	Vehicle Office	Computers	Total
<b>Gross Block</b>							
Cost - As at 1st April 2017		2,360,243	514,367	2,441,159	1,632,901	2,195,889	9,144,559
Additions		-	-	47,445	-	68,409	115,854
Disposals / Adjustments		-		-	832,781	-	832,781
<b>As per 31st March 2018</b>		2,360,243	514,367	2,488,604	800,120	2,264,298	8,427,632
Additions		-	66,099	14,000	-	30,551	110,650
Disposals / Adjustments					769,536		769,536
<b>As per 31st March 2019</b>		2,360,243	580,466	2,502,604	30,584	2,294,849	7,768,746
<b>Depreciation &amp; Amortisation</b>							
As at 1st April 2017		1,119,070	134,363	1,550,260	939,336	2,066,946	5,809,975
Charge for the year		209,528	51,407	366,684	169,293	113,003	909,915
Disposals / Adjustments		-		-	607,912	-	607,912
<b>As per 31st March 2018</b>		1,328,598	185,770	1,916,944	500,717	2,179,949	6,111,978
Charge for the year		209,528	57,107	285,321	20,438	52,595	624,989
Disposals / Adjustments		-		-	506,704	-	506,704
<b>As per 31st March 2019</b>		1,538,126	242,877	2,202,265	14,451	2,232,544	6,230,263
<b>Net Block</b>							
As per 31st March 2018		1,031,645	328,597	571,660	299,403	84,349	2,315,654
<b>As per 31st March 2019</b>		822,117	337,589	300,339	16,133	62,305	1,538,483



**NORTH TOWN ESTATES PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Amount in Rs.

Note	Particulars	As at 31 March 2019	As at 31 March 2018
4	<b>Bank Balance</b>		
	Fixed Deposits more than 12 months from B/S date	84,736,873	79,426,126
		<u>84,736,873</u>	<u>79,426,126</u>
5	<b>Other financial assets</b>		
	Security Deposits	486,308,009	518,913,204
	Interest accrued on fixed deposit with banks more than 12 months	136,334	127,789
		<u>486,444,343</u>	<u>519,040,993</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	382,826	227,502
	On account of employee benefits	-	-
		<u>242,445,875</u>	<u>242,290,551</u>
	<b>Deferred tax liabilities on account of</b>		
	On account of loss	-	-
	On account of depreciation	-	-
		<u>-</u>	<u>-</u>
		<u>242,445,875</u>	<u>242,290,551</u>
	<b>Reconciliation of Deferred Tax Asset/ (Liabilities):</b>		
	<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2018</b>
	Opening Balance as on 1st April	242,290,551	242,199,878
	Deferred tax income/ (expense) during the period recognised in profit & loss	155,324	90,673
	<b>Closing Balance</b>	<u>242,445,875</u>	<u>242,290,551</u>
7	<b>Current investments</b>		
	<b>Quoted</b>		
	Investments in Mutual Fund		
	Birla Sun Life Cash Manager Fund Institutional Plan	25,084,634	10,110,555
	No. of units 55812.778 @449.4425		
		<u>25,084,634</u>	<u>10,110,555</u>
	NAV of units of mutual funds	25,084,634	10,110,555



Note	Particulars	As at 31 March 2019	As at 31 March 2018
8	<b>Cash bank balances</b>		
	Balance with banks current accounts	10,282,187	9,244,645
	Cash on hand	290,832	297,028
		<u>10,573,019</u>	<u>9,541,673</u>
9	<b>Other Bank balances</b>		
	Balance in Escrow Account	29,734,570	36,714,009
	Deposits with maturity for less than 12 months	22,271,800	17,068,391
		<u>52,006,370</u>	<u>53,782,400</u>
10	<b>Other financial assets- Current</b>		
	Interest accrued on fixed deposit with banks & Other deposits	2,802,082	2,802,082
	Advances to related parties	26,562,927	27,754,705
		<u>29,365,009</u>	<u>30,556,787</u>
11	<b>Current tax assets</b>		
	Advance income tax/TDS	26,475,809	22,570,195
	Less: Provision for Income Tax	12,440,000	12,440,000
		<u>14,035,809</u>	<u>10,130,195</u>
12	<b>Other current assets</b>		
	Advances to Vendors	366,206,743	409,097,601
	Prepaid expenses	83,168,400	81,060,746
	Staff imprest & advances	3,327,744	2,278,636
	Project in Progress On which revenue is not recognised	128,186,568	128,186,568
	Project in Progress On which revenue is recognised	955,086,534	1,073,466,762
	Dues from Govt authorities	122,989,724	57,053,739
		<u>1,658,965,713</u>	<u>1,751,144,052</u>





**NORTH TOWN ESTATES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019**

**13 Share Capital**

Amount in Rs.

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised		
50,000 (31st March, 2018: 50,000 ) Equity shares of ₹ 10 each	500,000	500,000
	500,000	500,000
Issued, subscribed & fully paid up		
50,000 (31st March 2018 :50,000 ) Equity Shares of ₹ 10 each with voting rights	500,000	500,000
	500,000	500,000

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

Equity Shares	As at 31st March, 2019	As at 31st March, 2018
Shares outstanding at the beginning of the year		
Add: issued during the year	50,000	50,000
Shares outstanding at the end of the year	50,000	50,000

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

Name of the shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	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, 2019, 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, 2019**

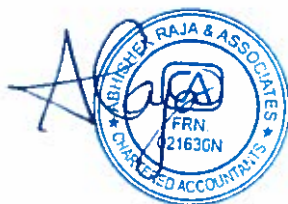
**14 Other Equity excluding non controlling interest**

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Retained Earning		
Opening balance	(665,542,599)	(531,630,977)
Profit/(Loss) for the year	(4,471,357)	(133,911,622)
Net surplus in the statement of profit and loss	(670,013,956)	(665,542,599)
Total	(670,013,956)	(665,542,599)
ii) Other comprehensive Income		
Remeasurement of Defined benefit plan		
Addition/Deduction during the year		
Closing balance	-	-
	(670,013,956)	(665,542,599)



Note	Particulars	As at 31 March 2019	As at 31 March 2018
15	<b>Borrowings (Non-Current)</b>		
	<b>Secured</b>		
	Non Convertible Debenture		
	From financial institutions	1,072,534,566	844,696,214
		<u>1,072,534,566</u>	<u>844,696,214</u>
		<u>1,072,534,566</u>	<u>844,696,214</u>
		<u>1,072,534,566</u>	<u>844,696,214</u>
16	<b>Borrowings (current)</b>		
	<b>Unsecured</b>		
	Loans and advances from related parties	1,665,728,546	1,656,560,625
		<u>1,665,728,546</u>	<u>1,656,560,625</u>
17	<b>Trade payables</b>		
	Medium & small enterprises	-	-
	Others	245,911,699	252,607,817
		<u>245,911,699</u>	<u>252,607,817</u>
18	<b>Other financial liabilities- Current</b>		
	Statutory due payable	7,987,247	8,015,275
	Employee payable	7,497,367	7,490,310
	Security deposits	140,870,137	135,641,528
	Others payables	127,606,480	121,040,634
		<u>283,961,231</u>	<u>272,187,747</u>
19	<b>Other current liabilities</b>		
	Advance received from customer	6,574,043	347,329,183
		<u>6,574,043</u>	<u>347,329,183</u>



**NORTH TOWN ESTATES PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Amount in Rs.

Note	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
20	<b>Revenue from operation</b>		
	<b>Sale of services</b>		
	Income recognised on percentage of completion method	458,233,867	488,061,493
	Reversal of Provision of Loss on Real Estate Project	68,119,778	35,454,061
		<b>526,353,645</b>	<b>523,515,554</b>
21	<b>Other Income</b>		
	Rent	95,200	60,000
	<b>Interest from</b>		
	Bank deposits	8,600,538	7,384,060
	Dividend received	571,215	1,472,523
	Insurance claim receipts	-	-
	Gain on investment	(25,921)	(419,487)
	Maintenance Income	52,828,548	58,172,534
	Miscellaneous income	7,006,323	7,881,481
		<b>69,075,904</b>	<b>74,551,111</b>
22	<b>Real Estate Project Expenditure</b>		
	Project cost - ongoing real estate project	-	-
	Project cost - percentage of completion method	526,617,801	657,737,176
		<b>526,617,801</b>	<b>657,737,176</b>
23	<b>Finance cost</b>		
	Other Borrowing cost	880,135	567,950
		<b>880,135</b>	<b>567,950</b>
24	<b>Depreciation and amortization expense</b>		
	Depreciation on tangible assets	624,989	909,915
	Amortization of intangible assets	-	-
		<b>624,989</b>	<b>909,915</b>
25	<b>Other expenses</b>		
	Legal and professional charges	1,571,901	2,004,000
	Advertising and promotional expenses	6,106,674	8,469,562
	Interest & penalty	289,021	125,037
	Commission paid to selling agents	(494,737)	1,764,884
	Maintenance expenses	64,075,084	60,113,567
	Miscellaneous expenses	-	77,000
	Other administrative general expenses	529	-
	Auditor's remuneration	-	-
	For audit	150,000	150,000
	For tax audit	25,000	25,000
	Loss on Sale of Tangible Assets	209,832	124,869
		<b>71,933,305</b>	<b>72,853,919</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Amount in Rs.

Note	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
------	-------------	------------------------------	------------------------------

**26 Tax Expenses**

Current Tax  
Deferred tax  
Total

-	-
(155,324)	(90,673)
(155,324)	(90,673)

**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, 2019	Year ended 31st March, 2018
A Net profit/ (loss) as attributable for equity shareholders	(4,471,357)	(133,911,622)
Weighted average number of equity shares in calculating basic/diluted		
B EPS	50,000	50,000
Basic Earnings per Share (₹) (A/B)	(89.43)	(2,678.23)
Diluted Earnings per Share (₹) (A/B)	(89.43)	(2,678.23)

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 2019 is Nil (31st March 2018- 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 2019.**

**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, 2019

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, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at amortised cost</b>				
Fixed deposits with banks (Non Current)	84,736,873	84,736,873	79,426,126	79,426,126
Cash and bank balances	62,579,389	62,579,389	63,324,073	63,324,073
Other financial assets (Non Current)	486,444,343	486,444,343	519,040,993	519,040,993
Other financial assets (Current)	29,365,009	29,365,009	30,556,787	30,556,787
<b>Financial Asset at fair value through profit or loss :</b>				
Investment(Current )	25,084,634	25,084,634	10,110,555	10,110,555
<b>Financial Liabilities at amortised cost</b>				
Borrowings (Non Current )	1,072,534,566	1,072,534,566	844,696,214	844,696,214
Borrowings (Current )	1,665,728,546	1,665,728,546	1,656,560,625	1,656,560,625
Trade & other payables	245,911,699	245,911,699	252,607,817	252,607,817
Other financial liabilities (Current )	283,961,231	283,961,231	272,187,747	272,187,747

**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	31.03.2019		31.03.2018	
	Carrying Value	Valuation	Carrying Value	Valuation
<b>Financial Assets at amortised cost :</b>				
Other financial assets	486,444,343	level 3	519,040,993	flow method
<b>Financial Asset at fair value through profit or loss :</b>				
Investment(Current )	25,084,634.00	level 1	10,110,555.00	price
<b>Financial Liabilities at amortised cost :</b>				
Borrowings (Non Current )	1,072,534,566	level 3	844,696,214	flow method
Borrowings (Current )	1,665,728,546	level 3	1,656,560,625	flow method

During the year ended March 31, 2019 and March 31, 2018, 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, 2019**

**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, loan and other receivables, trade 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 2019 and 31st March 2018.

**(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, 2019	31st March, 2018
Variable rate borrowings		
Fixed rate borrowings	1,072,534,566	844,696,214
<b>Total borrowings</b>	<b>1,072,534,566</b>	<b>844,696,214</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 31-03-2019	Carrying Amount	On Demand	Less than 1 year	More than 1 years	Total
Borrowings	2,738,263,112	1,665,728,546	-	1,072,534,566	2,738,263,112
Trade payables	245,911,699	-	245,911,699	-	245,911,699
Other financial liabilities	283,961,231	-	283,961,231	-	283,961,231
<b>Total</b>	<b>3,268,136,042</b>	<b>1,665,728,546</b>	<b>529,872,930</b>	<b>1,072,534,566</b>	<b>3,268,136,042</b>
<b>As at 31-03-2018</b>	<b>Carrying Amount</b>	<b>On Demand</b>	<b>Less than 1 year</b>	<b>More than 1 years</b>	<b>Total</b>
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>



**NORTH TOWN ESTATES PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019**

**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 2019	As at 31st March 2018
Debt	2,738,263,112	2,501,256,839
Cash & bank balances	(147,316,262)	(142,750,199)
Net Debt	2,590,946,850	2,358,506,640
Total Equity	(669,513,956)	(665,042,599)
Total Equity and Net Debt	1,921,432,894	1,693,464,041
Gearing Ratio	135%	139%

**Notes-**

- (i) Debt is defined as long-term and short-term borrowings including current maturities as described in notes 15 and 16.
- (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, 2019

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	- (-)	1,41,75,000 (7,69,575)	1,01,43,609 (2,46,92,251)	2,43,18,609 (2,54,61,826)
2.	Advances received	1,10,342 (1,76,520)	1,80,37,966 (1,98,571)	1,65,30,000 (12,06,65,555)	3,46,78,308 (12,10,40,646)
3.	Interest paid	- (-)	- (-)	- (10,17,89,505)	- (10,17,89,505)

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

S.No.	Description	Maximum balance during the year ended 31.03.2019 (₹)	Maximum balance during the year ended 31.03.2018 (₹)
1	Unitech Ltd.	2,66,73,269	2,68,49,789
2	Arihant Foundations & Housing Ltd.	27,81,530	10,81,436
3	Arihant Unitech Realty Projects Ltd.	82,29,47,016	81,65,60,625



**NORTH TOWN ESTATES PRIVATE LIMITED**Notes to financial statement for the year ended 31<sup>st</sup> March, 2019

iv) Balance as at 31-03-2019:

Sl No.	Description	Net balance 31.03.2019 (in ₹)	Dr. / Cr.
1.	Arihant Foundations& Housing Ltd. (Short Term Loans and Advances)	27,81,530 (10,81,436)	Cr. Dr.
2.	Unitech Ltd.(Short Term Loans and Advances)	2,65,62,927 (2,66,73,269)	Dr. Dr.
3.	Arihant Unitech Realty Projects Ltd. (Short term borrowings)	82,49,47,016 (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.

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

**37. ADDITIONAL INFORMATION:**

	Particulars	31.03.2019	31.03.2018
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.

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**NORTH TOWN ESTATES PRIVATE LIMITED**

Notes to financial statement for the year ended 31<sup>st</sup> March, 2019

**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: 021630N



Partner

Membership No.: 506936

Certificate (UDIN) NO. 19506930AAABAK4187

For and on behalf of the Board of directors

A handwritten signature in blue ink.

Narasappan Kannaiyan

Director

DIN: 00266527

A handwritten signature in blue ink.

OmPrakash Madhav

Director

DIN: 03616030

Place: New Delhi

Dated: 27-09-2019