

# DOOGAR & ASSOCIATES

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Navratan Techbuild Private Limited**

We have audited the accompanying consolidated financial statements of **Navratan Techbuild Private Limited** ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion


In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

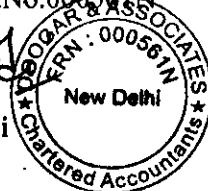
For **Doogar & Associates**

Chartered Accountants

Firm's Reg.No.000561N

  
**Vikas Modi**  
Partner

M. No. 505603



Place: New Delhi

Date: 20 MAY 2014

**Consolidated Balance Sheet as at March 31, 2014**

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	500,000.00	500,000.00
Reserves and surplus	2	222,947,926.96	207,950,625.92
		<b>223,447,926.96</b>	<b>208,450,625.92</b>
<b>Non-current liabilities</b>			
Other Long term liabilities	3	110,379,262.34	164,538,552.00
Long term provisions	6	209,829.00	-
		<b>110,589,091.34</b>	<b>164,538,552.00</b>
<b>Current liabilities</b>			
Trade payables	4	299,959,129.19	394,225,154.32
Other current liabilities	5	1,866,532,941.72	1,952,277,040.63
Short-term provisions	6	3,529,193.00	2,210,449.00
		<b>2,170,021,263.91</b>	<b>2,348,712,643.95</b>
<b>TOTAL</b>		<b>2,504,058,282.21</b>	<b>2,721,701,821.87</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	7	1,451,792.43	1,572,615.65
		<b>1,451,792.43</b>	<b>1,572,615.65</b>
Deferred tax assets (net)	8	119,628.00	9,457.00
Goodwill on consolidation		324,718,891.97	324,718,891.97
Long-term loans and advances	9	62,395,210.31	45,882,750.99
		<b>388,685,522.71</b>	<b>372,183,715.61</b>
<b>Current assets</b>			
Inventories	10	1,898,237,622.30	2,227,786,729.48
Trade receivables	11	59,985,188.96	33,036,356.97
Cash and bank balances	12	8,785,529.81	5,421,804.07
Short-term loans and advances	9	13,172,692.93	4,086,687.61
Other current assets	13	135,191,725.51	79,186,528.13
		<b>2,115,372,759.50</b>	<b>2,349,518,106.26</b>
<b>TOTAL</b>		<b>2,504,058,282.21</b>	<b>2,721,701,821.87</b>
Significant accounting policies	A		
Notes on financial statements	1-33		

The notes referred to above form an integral part of financial statements.


As per our report of even date attached

For and on behalf of

**Doogar & Associates**

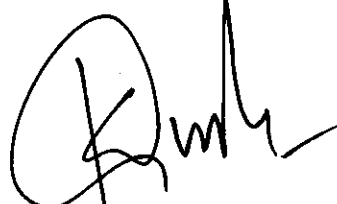
Chartered Accountants

Reg No.000561N

  
**Vikas Modi**  
 (Partner)  
 M No. 505603



For and on behalf of the Board of Directors



**Kamal Kishore Gupta**

(Director)

DIN: 02180278



**Sandeep Singhal**

(Director)

DIN: 03563083

Place : New Delhi

Date : 20 MAY 2014

**Consolidated Statement of Profit and Loss for the year ended March 31, 2014**

(Amount in Rupees)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
<b>Revenue</b>			
Revenue from operations	14	535,963,338.69	177,836,210.21
Other income	15	57.45	33,759.08
<b>Total Revenue</b>		<b>535,963,396.14</b>	<b>177,869,969.29</b>
<b>Expenses</b>			
Cost of material consumed, construction & other related project cost	16	156,723,595.51	41,504,406.57
Changes in inventories of projects in progress	17	340,042,507.18	113,151,986.35
Employee benefit expenses	18	214,877.00	-
Finance cost	19	151,815.29	72,736.45
Depreciation and amortization expense	7	285,421.84	50,964.73
Other expenses	20	15,386,301.28	6,209,215.95
<b>Total Expenses</b>		<b>512,804,518.10</b>	<b>160,989,310.05</b>
<b>Profit before tax</b>		<b>23,158,878.04</b>	<b>16,880,659.24</b>
Tax expense:			
Current tax		7,679,951.00	2,210,449.00
Tax adjustments for earlier years		591,797.00	130,212.00
Deferred tax charge/(credit)		(110,171.00)	(9,457.00)
		<b>8,161,577.00</b>	<b>2,331,204.00</b>
<b>Profit for the year</b>		<b>14,997,301.04</b>	<b>14,549,455.24</b>
Earning per equity share-Basic & diluted (in rupees)	31	299.95	290.99
(Face value of Rs 10 each)			
Significant accounting policies	A		
Notes on financial statements	1-33		

The notes referred to above form an integral part of financial statements.


As per our report of even date attached

For and on behalf of

**Doogar & Associates**

Chartered Accountants

Reg No. 000561

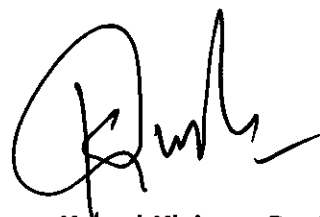
  
**Vikas Modi**  
 (Partner)

(Partner)

M No. 505603




For and on behalf of the Board of Directors



**Kamal Kishore Gupta**

(Director)

DIN: 02180278



**Sandeep Singh**

(Director)

DIN: 03563083

Place : New Delhi

Date : 20 MAY 2014

**Consolidated Cash Flow Statement for the year ended March 31, 2014**

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>A) Cash flow from operating activities</b>		
<b>Profit for the year before tax</b>	23,158,878.04	16,880,659.24
Adjustments for :		
Interest and finance charge	28,753,296.57	10,601,234.38
Provision for employee benefit		
- Leave encashment	128,469.00	-
- Gratuity	86,408.00	-
Depreciation and amortization expense	303,531.33	52,480.24
<b>Operating profit before working capital changes</b>	<b>52,430,582.94</b>	<b>27,534,373.86</b>
<b>Adjustments for Working capital</b>		
Inventories	329,549,107.18	(2,223,890,678.93)
Trade Receivable	(26,948,831.99)	(23,658,402.82)
Loans and advances	(9,208,575.64)	147,458,132.98
Other current assets	(56,005,197.38)	(79,186,528.13)
Trade payables and other liabilities	(246,495,084.70)	2,510,865,378.95
	<b>(9,108,582.53)</b>	<b>331,587,902.05</b>
<b>Cash generated from/(used in) operating activities</b>	<b>43,322,000.41</b>	<b>359,122,275.91</b>
Direct tax paid	(23,347,941.00)	(17,058,119.00)
<b>Net cash generated from/(used in) operating activities</b>	<b>19,974,059.41</b>	<b>342,064,156.91</b>
<b>B) Cash flow from investing activities</b>		
Purchase of fixed assets	(182,708.11)	(1,625,095.89)
Goodwill on consolidation	-	(324,718,891.97)
<b>Net cash generated from/(used in) Investing activities</b>	<b>(182,708.11)</b>	<b>(326,343,987.86)</b>
<b>C) Cash flow from financing activities</b>		
Interest paid	(16,427,625.57)	(10,601,234.38)
<b>Net cash generated from/ (used in) financing activities</b>	<b>(16,427,625.57)</b>	<b>(10,601,234.38)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>3,363,725.73</b>	<b>5,118,934.67</b>
<b>Opening balance of cash and cash equivalents</b>	<b>5,421,804.07</b>	<b>302,869.41</b>
<b>Closing balance of cash and cash equivalents</b>	<b>8,785,529.81</b>	<b>5,421,804.07</b>

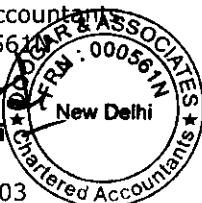
Note1:- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 'Cash Flow Statements'.

Note2:- Depreciation includes amount charged to cost of material consumed, construction and other related project cost.

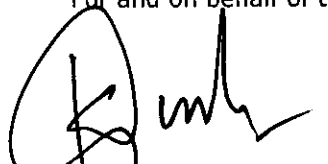
As per our report of even date attached


For and on behalf of  
**Doogar & Associates**  
 Chartered Accountants  
 Reg.No 000562

**Vikas Modi**  
 (Partner)  
 M No. 505603



For and on behalf of the Board of Directors

  
**Kamal Kishore Gupta**  
 (Director)  
 DIN: 02180278

  
**Sandeep Singh**  
 (Director)  
 DIN: 03563083

Place: New Delhi  
 Date : 20 MAY 2014

**Consolidated Notes to financial statements for the year ended March 31,2014**

**A. Significant accounting policies**

**a. Basis of preparation of financial statements**

The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with the Companies Act, 1956 ("the Act") and the Accounting Principles Generally Accepted in India ("Indian GAAP") and to comply with the Accounting Standards prescribed in Companies (Accounting Standard) Rules 2006 issued by the Central Government in exercise of power conferred under section 642(1)(a) and relevant provisions of the Act.

**b. Use of estimates**

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**c. Fixed assets**

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

**d. Depreciation**

Depreciation on fixed assets is provided on written down value method in the manner and rates prescribed in Schedule XIV to the Companies Act, 1956 except in the case of steel shuttering and scaffolding material, which is treated as part of plant and machinery where the estimated useful life based on technical evaluation has been determined as five years.

**e. Borrowing costs**

Borrowing cost that are directly attributable to the acquisition or construction of a qualifying asset (Including real estate projects) are considered as part of the cost of the asset/project. All other borrowing costs are treated as period cost and charged to statement of profit and loss in the year in which incurred.

**f. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount the carrying amount is reduced to its recoverable amount. The reduction is treated as an Impairment loss and is recognized in the statement of profit and loss.

**g. Investments**

Long term are stated at cost. Provision for diminution, if any, in the value of each non-current investment is made to recognize a decline, other than of a temporary nature. Current investments are stated at lower of cost or market value.

**h. Inventories**

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

**i. Projects in progress**

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

**j. Revenue recognition**

**i. Real estate projects**

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised) 2012" (referred to as "Guidance Note"), revenue from real estate projects is recognised on Percentage of Completion (POC) method provided the following conditions are met:-

1. All critical approvals necessary for commencement of the project have been obtained.
2. The expenditure incurred on construction and development is not less than 25% of the total estimated construction and development cost.
3. At least 25% of the saleable project area is secured by way of contracts or agreements with buyers.
4. At least 10% of the total revenue as per the agreement of sale or any other legally enforceable document are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the respective contracts.

The estimates of the projected revenues, projected profits, projected costs, cost to completion and the foreseeable loss are reviewed periodically by the management and any effect of changes in estimates is recognized in the period in which such changes are determined.

Unbilled revenue represents revenue recognized based on percentage of completion method over and above amount due as per payment plan agreed with the customers. Amount received from customers which exceeds the cost and recognized profits to date on projects in progress, is considered as advance received from customers under other current liabilities. Any billed amount against which revenue is recognised but amount not collected is considered as trade receivable.

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

**k. Accounting for taxes on income**

- i. Provision for current tax is made based on the tax payable under the Income Tax Act 1961.

ii. Deferred tax on timing differences between taxable and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax Assets are recognized only when there is a reasonable certainty of their realization. Wherever there are unabsorbed depreciation or carry forward losses under Tax laws Deferred Tax assets are recognized only to the extent that there is virtual certainty of their realization.



**I. Provisions, contingent liabilities and contingent assets**

A provision is recognized when:

- i. the Company has a present obligation as a result of a past event;
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote no provision or disclosure is made.

**m. Operating lease**

Lease arrangements where the risk and rewards incident to ownership of an assets substantially vest with the lessor are recognized as operating lease. Lease rent under operating lease are charged to statement of profit and loss on straight line basis over the lease term.

**n. Retirement Benefits**

- i. Contributions payable by the Company to the concerned government authorities in respect of provident fund family pension fund and employee state insurance are charged to the statement of profit and loss.
- ii. Provision for gratuity is made based on actuarial valuation in accordance with Revised AS-15.
- iii. Provision for leave encashment in respect of unavailed leave standing to the credit of employees is made on actuarial basis in accordance with revised AS-15.

**o. Amortization of Miscellaneous Expenses**

Preliminary expenses are charged to revenue in the year in which they are incurred.

**p. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share the net profit or loss for the year 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.

**q. Principles of consolidation**

The consolidated financial statements relate to Navratan Techbuild Private Limited ('the Parent') and its subsidiary (collectively referred to as 'the Group'). The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of financial statements as laid down under the Accounting Standards prescribed in Companies (Accounting Standard) Rules 2006. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, Income and expenses after fully eliminating intra-group balances and transactions and resulting unrealized gain/losses.

Where the cost of the investment is higher/lower than the share of equity in the subsidiary at the time of acquisition the resulting difference is treated as goodwill/capital reserve.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The financial statement of the following subsidiary entity have been consolidated as per the Accounting Standard 21 on 'Consolidated Financial Statements'

Name of Subsidiaries	As at	As at
	March 31, 2014	March 31, 2013
	% of shareholding	
S N Realtors Private Limited	100.00	100.00

**1. SHARE CAPITAL**

Particulars	(Amount In Rupees)	
	As at March 31, 2014	As at March 31, 2013
<b>Authorised</b>		
50,000 (50,000) Equity Shares of Rs.10 each	500,000.00	500,000.00
	<b>500,000.00</b>	<b>500,000.00</b>
<b>Issued Subscribed &amp; Paid up</b>		
50,000 (50,000) Equity Shares of Rs.10 each fully paid up	500,000.00	500,000.00
<b>Total</b>	<b>500,000.00</b>	<b>500,000.00</b>

Figures in bracket represent those of previous year.

**1.1 Reconciliation of the shares outstanding at the beginning and at the end of the year**

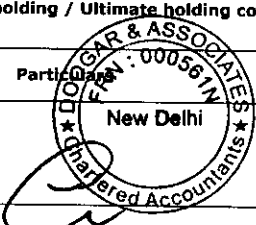
Particulars	(Amount in Rupees)			
	As at March 31, 2014		As at March 31, 2013	
	Number	Amount in rupees	Number	Amount in rupees
<b>Equity Shares of Rs 10 each fully paid</b>				
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

**1.2 Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10/-per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**1.3 Shares held by holding / Ultimate holding company and / or their subsidiaries and associates**

Particulars	(Amount in Rupees)			
	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
<b>Holding Company</b>				
Omaxe Limited	49,900	499,000.00	49,900	499,000.00
	<b>49,900</b>	<b>499,000.00</b>	<b>49,900</b>	<b>499,000.00</b>



**1.4 Detail of shareholders holding more than 5% shares in equity capital of the company**

Particulars	As at March 31, 2014		As at March 31, 2013	
	No of Shares held	% Holding	No of Shares held	% Holding
<b>Holding Company</b>				
Omaxe Limited	49,900	99.80%	49,900	99.80%

The aforesaid disclosure is based upon percentages computed as at the balance sheet date. As per records of the company including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial ownerships of shares.

1.5 The company has not reserved any shares for issue under options and contracts / commitments for the sale of shares / disinvestment.

1.6 The company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash. The company has neither allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date.

**2. RESERVES & SURPLUS**

(Amount in Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Surplus as per Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	207,950,625.92	193,401,170.68
Add: Net profit for the current year	14,997,301.04	14,549,455.24
<b>Balance at the end of the year</b>	<b>222,947,926.96</b>	<b>207,950,625.92</b>

**3. OTHER LONG TERM LIABILITIES**

(Amount in Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
Non current trade payable (refer note no 4)	109,642,368.00	164,463,552.00
Non current other liabilities (refer note no 5)	736,894.34	75,000.00
	<b>110,379,262.34</b>	<b>164,538,552.00</b>

**4. TRADE PAYABLES**

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current	Non Current	Current
<b>Trade Payables</b>				
Deferred payment liabilities - in respect of development & other charges to be paid on deferred credit terms to authorities	109,642,368.00	206,537,671.00	164,463,552.00	151,716,487.00
Other trade payables				
- due to micro small & medium enterprises*	-	129,731.00	-	-
- Fellow subsidiary	-	90,301,428.19	-	241,057,099.32
- Others	-	2,990,299.00	-	1,451,568.00
# Due to Jagdamba contractors and builders limited of Rs. 27,007,929/- (Rs. 8,968,856/-), due to Omaxe Buildhome Limited of Rs. 57,564,976.19 (Rs. 232,042,970.32) and Volvo properties Private Limited of Rs. 5,728,523/- (Rs 45,273/-)				
	<b>109,642,368.00</b>	<b>299,959,129.19</b>	<b>164,463,552.00</b>	<b>394,225,154.32</b>
Less: Amount disclosed under the head other long term liabilities (refer note no 3)	109,642,368.00	-	164,463,552.00	-
	-	<b>299,959,129.19</b>	-	<b>394,225,154.32</b>

\*The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available.

(Amount in Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
Principal amount due to suppliers under MSMED Act, 2006	129,731.00	-
Interest accrued and due to supplier under MSMED Act, 2006 on above amount	6,066.00	-
Payment made to suppliers (other than interest) beyond appointed day during the year	20,000.00	-
Interest paid to suppliers under MSMED Act, 2006	-	-
Interest due and payable to suppliers under MSMED Act, 2006 towards payments already made	633.00	-
Interest accrued and remaining unpaid at the end of the accounting year	6,699.00	-





**5. OTHER CURRENT LIABILITIES**

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current	Non Current	Current
Book overdraft	-	533,214.80	-	-
Security deposit received	736,894.34	-	75,000.00	-
Advance from customers and others				
From related parties	-	1,779,142,028.26	-	1,752,959,760.00
From others	-	39,089,605.66	-	164,433,162.63
Other Payables				
Employee related liabilities	-	58,595.00	-	-
Statutory dues payable	-	1,764,874.00	-	602,970.00
Interest on trade payables	-	45,771,840.00	-	33,446,169.00
Others	-	172,784.00	-	834,979.00
	<b>736,894.34</b>	<b>1,866,532,941.72</b>	<b>75,000.00</b>	<b>1,952,277,040.63</b>
Less: Amount disclosed under the head other long term liabilities (refer note no.3)	736,894.34	-	75,000.00	-
	-	<b>1,866,532,941.72</b>	-	<b>1,952,277,040.63</b>

**6. PROVISIONS**

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current	Non Current	Current
<b>Provision for employee benefits</b>				
Leave Encashment	123,746.00	4,723.00	-	-
Gratuity	86,083.00	325.00	-	-
	<b>209,829.00</b>	<b>5,048.00</b>	-	-
Provision for income tax (net of advance tax)	-	3,524,145.00	-	2,210,449.00
	<b>209,829.00</b>	<b>3,529,193.00</b>	-	<b>2,210,449.00</b>

**8. DEFERRED TAX ASSETS (net)**

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current	Non Current	Current
<b>Deferred tax asset</b>				
Expenses allowed on payment basis	-	2,271.00	-	-
Retirement benefits	-	69,717.00	-	-
Difference between book and tax base of fixed assets	-	47,640.00	-	9,457.00
	-	<b>119,628.00</b>	-	<b>9,457.00</b>

**9. LOANS & ADVANCES**

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current	Non Current	Current
(Unsecured, considered good unless otherwise stated)				
Security Deposits	2,494,060.00	-	2,423,000.00	-
Loans and advances to related parties	-	6,880,287.27	-	2,698,415.00
Advances against goods, services & others	-	1,273,364.00	-	919,524.00
Balance with Government / statutory authorities	-	3,720,587.61	-	18,617.17
MAT credit entitlement	7,913,852.00	-	9,556,058.00	-
Direct taxes refundable (net of provisions)	51,234,713.00	-	33,202,618.00	-
Prepaid Expenses	752,585.31	1,298,454.05	701,074.99	450,131.44
	<b>62,395,210.31</b>	<b>13,172,692.93</b>	<b>45,882,750.99</b>	<b>4,086,687.61</b>



#9.1. Particulars in respect of advances against goods, services and others to related parties are as follow:

Name of companies	Nature of Relation	(Amount in Rupees)	
		As at March 31, 2014	As at March 31, 2013
Jagdamba Contractors And Builders Limited	Fellow subsidiary company	-	1,001,515.00
Volvo Properties Private Limited	Fellow subsidiary company	-	1,696,900.00
Omaxe Buildwell Limited (Formerly known as Omaxe buildwell Private limited)	Fellow subsidiary company	6,880,287.27	-
<b>Total</b>		<b>6,880,287.27</b>	<b>2,698,415.00</b>

10. INVENTORIES

Particulars	(Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Land	1,561,163,994.61	1,550,670,594.61
Completed real estate projects	7,060,365.09	8,693,817.65
Project in progress	330,013,262.60	668,422,317.22
	<b>1,898,237,622.30</b>	<b>2,227,786,729.48</b>

11. TRADE RECEIVABLE

Particulars	(Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013
(Unsecured, considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment	5,253,510.26	9,858,404.56
Others	54,731,678.70	23,177,952.41
	<b>59,985,188.96</b>	<b>33,036,356.97</b>

12. CASH & BANK BALANCES

Particulars	(Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013
<b>Cash and cash equivalents</b>		
Balances with banks in current accounts	3,886,118.81	4,241,952.07
Cash on hand	3,525,411.00	161,864.00
Cheques, drafts on hand	1,374,000.00	1,017,988.00
	<b>8,785,529.81</b>	<b>5,421,804.07</b>

13. OTHER CURRENT ASSETS

Particulars	(Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Unbilled receivables	135,191,725.51	79,186,528.13
	<b>135,191,725.51</b>	<b>79,186,528.13</b>

14. REVENUE FROM OPERATIONS

Particulars	(Amount in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Income from real estate projects	535,963,338.69	177,836,210.21
	<b>535,963,338.69</b>	<b>177,836,210.21</b>

15. OTHER INCOME

Particulars	(Amount in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Interest on Income tax refund	-	33,756.00
Miscellaneous income	57.45	3.08
	<b>57.45</b>	<b>33,759.08</b>



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**16. COST OF MATERIAL CONSUMED, CONSTRUCTION & OTHER RELATED PROJECT COST**

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Inventory at the beginning of the year</b>		
Building material and consumables	-	3,600.00
Land	1,550,670,594.61	36,562,450.61
	1,550,670,594.61	36,566,050.61
<b>Add: Incurred during the year</b>		
Land development and other rights	10,493,400.00	1,514,108,144.00
Building materials purchases	2,445,385.65	-
Construction cost	116,941,519.09	29,963,363.00
Employee cost	703,964.00	-
Rates and taxes	4,057,570.00	883,876.00
Administration cost	1,306,459.00	123,554.13
Depreciation	18,109.49	1,515.51
Power, fuel and other electrical costs	2,649,107.00	-
Finance cost	28,601,481.28	10,528,497.93
	<b>167,216,995.51</b>	<b>1,555,608,950.57</b>
<b>Less: Inventory at the end of the year</b>		
Building material and consumables	-	-
Land	1,561,163,994.61	1,550,670,594.61
	<b>1,561,163,994.61</b>	<b>1,550,670,594.61</b>
	<b>156,723,595.51</b>	<b>41,504,406.57</b>

**17. CHANGES IN INVENTORIES OF PROJECTS IN PROGRESS**

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Inventory at the beginning of the year</b>		
Completed real estate projects	8,693,817.65	3,896,050.55
Projects in progress	668,422,317.22	786,372,070.67
	<b>677,116,134.87</b>	<b>790,268,121.22</b>
<b>Inventory at the end of the year</b>		
Completed real estate projects	7,060,365.09	8,693,817.65
Projects in progress	330,013,262.60	668,422,317.22
	<b>337,073,627.69</b>	<b>677,116,134.87</b>
Changes in inventories of projects in progress	<b>340,042,507.18</b>	<b>113,151,986.35</b>

**18. EMPLOYEE BENEFIT EXPENSES**

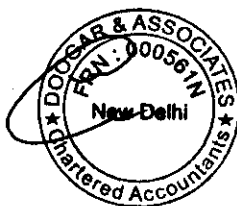
(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Salaries, wages, allowances and bonus	856,864.00	-
Staff welfare expenses	61,977.00	-
	918,841.00	-
Less: Allocated to projects	703,964.00	-
	<b>214,877.00</b>	-

**19. FINANCE COST**

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest cost	27,437,256.30	10,391,751.00
Other borrowing costs	3,657.00	-
Bank charges	1,312,383.27	209,483.38
	28,753,296.57	10,601,234.38
Less: Allocated to projects	28,601,481.28	10,528,497.93
	<b>151,815.29</b>	<b>72,736.45</b>



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**20. OTHER EXPENSES**

(Amount in Rupees)

Particulars	Year ended March 31,2014	Year ended March 31,2013
<b>Administrative expenses</b>		
Rent	479,548.82	68,857.12
Rates and taxes	7,210.00	571,314.00
Repairs and maintenance- others	550.00	-
Vehicle running and maintenance	28,668.00	-
Travelling and conveyance	29,479.00	-
Legal and professional charges	1,257,588.81	364,132.00
Printing and stationery	57,745.00	-
Postage telephone & courier	54,354.00	-
Auditors' remuneration	23,436.00	21,236.00
Miscellaneous expenses	2,691.00	2.96
	<b>1,941,270.63</b>	<b>1,025,542.08</b>
Less: Allocated to projects	1,306,459.00	123,554.13
<b>Total (a)</b>	<b>634,811.63</b>	<b>901,987.95</b>
<b>Selling Expenses</b>		
Business promotion	3,809,704.00	-
Rebate and discount to customers	709,588.00	-
Commission	8,161,117.00	4,206,759.00
Advertisement and publicity	2,071,080.65	1,100,469.00
	<b>14,751,489.65</b>	<b>5,307,228.00</b>
<b>Total (a+b)</b>	<b>15,386,301.28</b>	<b>6,209,215.95</b>

**21. Contingent Liabilities and commitments:**

(Amount in Rupees)

Particulars	As at March 31,2014	As at March 31,2013
Bank Guarantees given by holding company namely Omaxe Ltd	21,970,010.00	21,970,010.00
Corporate guarantee on behalf of holding company namely Omaxe Ltd	1,200,000,000.00	1,200,000,000.00
Claim against company not acknowledged as debts	601,500.00	NII
Disputed tax amounts:- - Income tax	132,025,803.00	51,785,427.00
The Company may be contingently liable to pay damages/ interest in the process of execution of real estate projects and for specific non-performance of certain agreements, the amount of which cannot presently be ascertained	Amount Unascertainable	Amount Unascertainable

22. Balances of trade receivables, trade payables, current / non-current advances given/ received are subject to reconciliation and confirmation from respective parties. The balance of said trade receivables, trade payables, current / non-current advances given/ received are taken as shown by the books of accounts. The ultimate outcome of such reconciliation and confirmation cannot presently be determined, therefore, no provision for any liability that may result out of such reconciliation and confirmation has been made in the financial statement, the financial impact of which is unascertainable due to the reasons as above stated.

23. Inventories, trade receivables, loans & advances and other current / non-current assets are in the opinion of the management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the balance sheet. The classification of assets and liabilities between current and non-current have been made based on management perception as to its recoverability / settlement and other criteria as set out in the revised schedule VI to the Companies Act,1956

24. Determination of revenues under 'Percentage of Completion method' necessarily involves making estimates by management for percentage of completion, cost to completion, revenues expected from projects, projected profits and losses. These estimates being of a technical nature have been relied upon by the auditors.

25. The Income Tax Department has raised a total demand of Rs. 132,025,803/- on company for assessment year 2008-09 & 2010-11 on account of disallowance of deduction claimed under section 80IB(10) of the Income Tax Act, 1961 and penalty imposed under section 271(1)(c) of the Income tax Act, 1961. The company has filed appeals/ SLP before the appropriate authorities against the impugned orders of the Assessing Officer/Appealate Authorities.

Based on the decision of various appellate authorities and the interpretations of the relevant provisions of Income Tax Act, 1961, the company has been advised by the experts that the claim under section 80IB(10) is legally sustainable, accordingly the company is quite hopeful that the demand so raised is likely to be deleted, hence no provision for such income tax demand has been made in the accounts.

**26. Auditors' Remuneration**

(Amount in Rupees)

Particulars	Year ended March 31,2014	Year ended March 31,2013
Audit Fees	21,236.00	21,236.00
Certification charges	2,200.00	-
<b>Total</b>	<b>23,436.00</b>	<b>21,236.00</b>

**27. Earning and Expenditure in Foreign Currency**

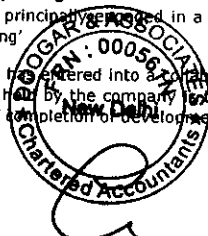
(Amount in Rupees)

Particulars	Year ended March 31,2014	Year ended March 31,2013
Earning in foreign currency	NII	NII
Expenditure In foreign currency	NII	NII

**28. Segment Reporting**

The Company is principally engaged in a single business segment viz. Real Estate and operates in one geographical segment as per accounting standard AS-17 on 'Segment Reporting'

29. The company has entered into a collaboration agreement for one of the real estate project of the company with M/s Omaxe Limited (holding Company). whereby the stock of land held by the company is to be developed by Omaxe Limited under the said agreement. The revenue from the said development project is linked to the percentage of completion of development work by the Omaxe Limited.



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### 30. Employee Benefit

#### A. Gratuity

The Company does not maintain any fund to pay for Gratuity.

##### i) Amount recognized in statement of Profit & Loss is as under:

(Amount in Rupees)

Description	Year ended March 31, 2014	Year ended March 31, 2013
Current service cost	86,408.00	-
Interest cost	-	-
Expected return on planned assets	-	-
Net actuarial (gain)/loss recognized during the year	-	-
Total	<b>86,408.00</b>	-

##### ii) Movement in the liability recognized in Balance Sheet is as under:

(Amount in Rupees)

Description	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligation at the beginning of the year	-	-
Current service cost	86,408.00	-
Interest cost	-	-
Benefit paid	-	-
Actuarial (gain) / loss on obligation	-	-
Present value of obligation as at the end of year	<b>86,408.00</b>	-

##### iii) Net assets / liability recognized in Balance Sheet as at March 31, 2014

(Amount in Rupees)

Description	As at March 31, 2014	As at March 31, 2013
Current liability (Amount due within one year)	325.00	-
Non-Current liability (Amount due over one year)	86,083.00	-
Present value of obligation as the end of the year	<b>86,408.00</b>	-
Fair value of plan assets at the end of the year	-	-
(Assets)/Liabilities recognized in the Balance Sheet.	<b>86,408.00</b>	-

##### iv) For determination of gratuity liability of the Company the following actuarial assumption were used.

Description	Year ended March 31, 2014	Year ended March 31, 2013
Discount rate	8.50%	-
Future salary increase	6.00%	-
Expected rate of return on planned assets	0.00%	-
Method used	Projected unit credit actuarial method	-

#### B. Leave Encashment

Provision for leave encashment in respect of unavailed leaves standing to the credit of employees is made on actuarial basis. The Company does not maintain any fund to pay for leave encashment.

##### i) Amount recognized in statement of Profit & Loss is as under:-

(Amount in Rupees)

Description	Year ended March 31, 2014	Year ended March 31, 2013
Current service cost	128,469.00	-
Interest cost	-	-
Net actuarial (gain)/loss recognized during the year	-	-
Recognised in statement of Profit & Loss	<b>128,469.00</b>	-



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ii) Amount recognized in the Balance Sheet as at March 31, 2014

(Amount in Rupees)

Description	As at March 31, 2014	As at March 31, 2013
Present value of obligation	128,469.00	-

iii) Movement in the liability recognized in Balance Sheet is as under:

(Amount in Rupees)

Description	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligation at the beginning of the year	-	-
Interest cost	-	-
Current service cost	128,469.00	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	-	-
Present value of obligation at the end of the year	128,469.00	-

iv) For determination of liability in respect of leave encashment, the Company has used the following actuarial assumption.

Description	Year ended March 31, 2014	Year ended March 31, 2013
Discount rate	8.50%	-
Future salary increase	6.00%	-
Actuarial method used	Projected unit credit actuarial method	-

v) Bifurcation of PBO at the end of year as per revised Schedule VI to the companies Act.

(Amount in Rupees)

Description	Year ended March 31, 2014	Year ended March 31, 2013
Current liability (Amount due within one year)	4,723.00	-
Non-Current liability (Amount due over one year)	123,746.00	-
Total PBO at the end of year	128,469.00	-

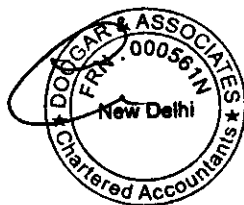
C. Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Misc. Provision Act, 1952. This is post employment benefit and is in the nature of defined contribution plan.

31. Earning per share

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit after tax	14,997,301.04	14,549,455.24
Numerator used for calculating basic and diluted earnings per share	14,997,301.04	14,549,455.24
Equity shares outstanding as at the year end	50,000.00	50,000.00
Weighted average number of shares used as denominator for calculating basic & diluted earnings per share	50,000.00	50,000.00
Nominal value per share	10/-	10/-
Basic & diluted earning per share (in rupees)	299.95	290.99



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**32. Related parties disclosures**

**A. Name of related parties:-**

**(i) Ultimate Holding Company**

Guild Builders Private Limited

**(ii) Holding Company**

Omaxe Limited

**(iii) Fellow Subsidiary companies**

1. Jagdamba Contractors and Builders Limited
2. Omaxe Buildhome Limited (Formerly Omaxe Buildhome Private Limited)
3. Volvo Properties Private Limited
4. Green Plant Colonisers Private Limited
5. Hamara Ghar Construction Developers Private Limited
6. Jewel Projects Private Limited
7. Link Infrastructure and Developers Private Limited
8. Zodiac Housing and Infrastructure Private Limited
9. Panoram Realcon Private Limited
10. Omaxe Buildwell Limited (Formerly Omaxe Buildwell Private Limited)

**(iv) Companies over which key managerial personnel in holding company or their relatives exercises significant influence**

1. Stepping Stone Buildhome Private Limited
2. Sunshine Buildtech Private Limited
3. Amit Jain Builders Private Limited
4. Jayant Buildhome Private Limited
5. Swarg Sukh Buildhome Private Limited
6. Versatile Buildhome Private Limited

**B. Summary of transactions with related parties are as under**

(Amount in Rupees)

Transaction	Omaxe Limited (Holding company)	Fellow Subsidiaries	Companies over which key managerial personnel in holding company or their relatives exercises significant influence	Total
<b>A. Transactions made during the year</b>		<b>Note A</b>	<b>Note B</b>	
Land, development & other rights purchased	Nil (NIL)	<b>1,034,000.00</b> (NIL)	<b>1,472,000.00</b> (NIL)	<b>2,506,000.00</b> (NIL)
Lease rent paid	<b>36,000.00</b> (4,929.00)	Nil (NIL)	Nil (NIL)	<b>36,000.00</b> (4,929.00)
Construction cost	Nil (NIL)	<b>110,987,757.00</b> (21,812,002.00)	Nil (NIL)	<b>110,987,757.00</b> (21,812,002.00)
<b>B. Closing balances</b>				
Balance payables	<b>197,457,191.26</b> (187,690,052.00)	<b>1,671,986,265.19</b> (1,806,326,807.32)	Nil (NIL)	<b>1,869,443,456.45</b> (1,806,326,807.32)
Loans and advances receivables	Nil (NIL)	<b>6,880,287.27</b> (2,698,415.00)	Nil (NIL)	<b>Nil</b> (2,698,415.00)
Bank guarantees	<b>51,270,010.00</b> (51,270,010.00)	Nil (NIL)	Nil (NIL)	<b>51,270,010.00</b> (51,270,010.00)
Corporate guarantees	<b>1,200,000,000.00</b> (1,200,000,000.00)	Nil (NIL)	Nil (NIL)	<b>1,200,000,000.00</b> (1,200,000,000.00)

Figures in bracket represent those of the previous year.



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## Note A:

(Amount in Rupees)

S.No.	Nature of transactions	Fellow Subsidiaries
<b>A. Transactions made during the year</b>		
<b>1</b>	<b>Land, development &amp; other rights purchased</b>	
	Hamara Ghar Construction Developers Private Limited	257,000.00
		(-)
	Jewel Projects Private Limited	263,000.00
		(-)
	Link Infrastructure and Developers Private Limited	256,000.00
		(-)
	Zodiac Housing and Infrastructure Private Limited	258,000.00
		(-)
<b>2</b>	<b>Construction cost</b>	
	Jagdamba Contractors and Builders Ltd.	96,483,711.00
		(20,672,348.00)
	Volvo Properties Private Limited	14,504,046.00
		(1,139,654.00)
<b>Closing balances as at March 31, 2014</b>		
<b>1</b>	<b>Loans and advances receivables</b>	
	Jagdamba Contractors and Builders Limited	-
		(1,001,515.00)
	Volvo Properties Private Limited	-
		(1,696,900.00)
	Omaxe Buildwell Limited (formerly known as Omaxe buildwell private limited)	6,880,287.27
		(-)
<b>2</b>	<b>Balance payable</b>	
	Omaxe Buildhome Limited	1,573,273,101.19
		(1,731,582,595.32)
	Jagdamba Contractors and Builders Limited	27,007,929.00
		(8,968,856.00)
	Volvo Properties Private Limited	5,728,523.00
		(45,273.00)
	Green Planet Colonisers Private Limited	65,730,083.00
		(65,730,083.00)
	Pancham Realcon Private Limited	246,629.00
		(-)

## Note B:

(Amount in Rupees)

S.No.	Nature of transactions	Companies over which key managerial personnel in holding company or their relatives exercise significant influence
<b>1</b>	<b>Land, development &amp; other rights purchased</b>	
	Stepping Stone Buildhome Private Limited	250,000.00
		(-)
	Sunshine Buildtech Private Limited	246,000.00
		(-)
	Amit Jain Builders Private Limited	245,000.00
		(-)
	Jayant Buildhome Private Limited	242,000.00
		(-)
	Swarg Sukh Buildhome Private Limited	244,000.00
		(-)
	Versatile Buildhome Private Limited	245,000.00
		(-)

Figures in brackets represent those of the previous year.

33. The company has regrouped / reclassified previous year figures wherever necessary to conform to with current year's classification.

The notes referred to above form integral part of financial statements.

As per our report of even date attached  
For and on behalf of

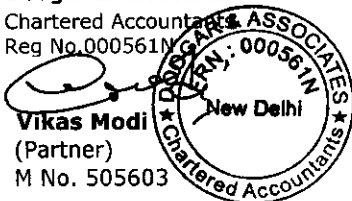
**Doogar & Associates**

Chartered Accountants  
Reg No. 000561N

**Vikas Modi**

(Partner)

M No. 505603



For and on behalf of the Board of Directors

*Kamal Kishore Gupta* *Sandeep Singh*

**Kamal Kishore Gupta**

(Director)

DIN: 02180278

**Sandeep Singh**

(Director)

DIN: 03563083

Place : New Delhi

Date : 20 MAY 2014



Note 7

## Fixed Assets

Name of Assets	Gross Block (At Cost)			Depreciation / Amortisation			Net Block		
	As at April 1, 2013	Additions	Deletion / Adjustments	As at March 31, 2014	As at April 1, 2013	For the year	Deletion / Adjustments	As at March 31, 2014	As at March 31, 2013
Plant and machinery	67,402.50	79,380.00	-	146,782.50	3,108.09	18,109.49	-	21,217.58	64,294.41
Office Equipment	91,639.07	19,700.44	-	111,339.51	9,006.98	10,697.15	-	19,704.13	82,632.09
Furniture and fixture	1,622,450.57	83,627.67	-	1,706,078.24	196,761.42	274,724.69	-	471,486.11	1,425,689.15
<b>Total</b>	<b>1,781,492.14</b>	<b>182,708.11</b>	-	<b>1,964,200.25</b>	<b>208,876.49</b>	<b>303,531.33</b>	-	<b>512,407.82</b>	<b>1,572,615.65</b>
Previous year	-	1,781,492.14	-	1,781,492.14	-	52,480.24	156,396.25	208,876.49	1,572,615.65

## Note:

Particulars	(Amount in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation has been charged to		
-Cost of material consumed, construction & other related project cost (refer note no.16)	18,109.49	1,515.51
Statement of Profit and Loss account	285,421.84	50,964.73
	<b>303,531.33</b>	<b>52,480.24</b>

