

# DOOGAR & ASSOCIATES

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Pam Developers (India) Private Limited**

We have audited the accompanying consolidated financial statements of **Pam Developers (India) 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.

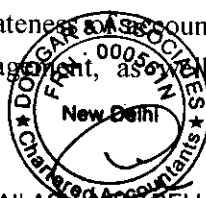
### Management's Responsibility for the Consolidated Financial Statements

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

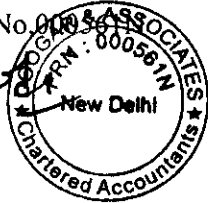
Firm's Reg. No. 000563



**Vikas Modi**

Partner

M. No. 505603



Place: New Delhi

Date: 27 MAY 2014

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

(Amount in Rupees)

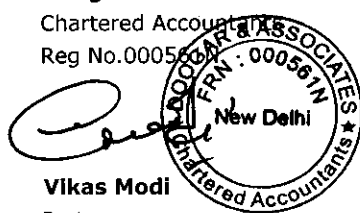
Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	100,000.00	100,000.00
Reserves and surplus	3	(23,355,626.52)	(37,972,521.29)
		<b>(23,255,626.52)</b>	<b>(37,872,521.29)</b>
<b>Minority Interest</b>		10,000.00	10,000.00
<b>Non-current liabilities</b>			
Other Long term liabilities	4	198,111,393.63	218,947,602.89
<b>Current liabilities</b>			
Trade payables	6	169,873,191.00	42,362,505.00
Other current liabilities	7	1,681,197,028.14	622,414,590.11
Short term provisions	5	10,827.00	-
		<b>1,851,081,046.14</b>	664,777,095.11
<b>Total</b>		<b>2,025,946,813.25</b>	<b>845,862,176.71</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
Long-term loans and advances	10	6,325,306.00	1,693,348.00
Other non-current assets	11	27,169.00	-
		<b>6,352,475.00</b>	1,693,348.00
<b>Current assets</b>			
Inventories	8	801,106,803.03	429,115,552.78
Cash and bank balances	9	10,019,798.01	18,345,999.92
Short term loans and advances	10	1,208,114,486.99	396,707,276.01
Other Current assets	11	295,890.00	-
		<b>2,019,536,978.03</b>	844,168,828.71
<b>Total</b>		<b>2,025,889,453.03</b>	<b>845,862,176.71</b>
Significant accounting policies	1		

The note nos 1 to 29 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.0005603



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

For and on behalf of the Board of Directors

*(Signature)*  
**Manish Kumar Garg**  
 (Director)  
 DIN:00117415

*(Signature)*  
**Jitender Kumar Garg**  
 (Director)  
 DIN: 00086161

Place : New Delhi  
 Date : 27 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	12	556,382.10	140,600.00
Other Income	13	78,721,879.67	16,939,488.16
<b>Total Revenue</b>		<b>79,278,261.77</b>	<b>17,080,088.16</b>
<b>Expenses</b>			
Cost of material consumed, construction & other related project costs	14	371,991,250.25	93,587,863.78
Changes in inventories of projects in progress	15	(371,991,250.25)	(93,587,863.78)
Finance cost	17	-	287,729.16
Other expenses	18	61,033,932.00	54,129,339.86
<b>Total Expenses</b>		<b>61,033,932.00</b>	<b>54,417,069.02</b>
<b>Profit/ (Loss) before tax</b>		<b>18,244,329.77</b>	<b>(37,336,980.86)</b>
Tax expense:			
Current tax		3,638,262.00	-
Mat Credit		(10,827.00)	
<b>Profit/(Loss) for the year</b>		<b>14,616,894.77</b>	<b>(37,336,980.86)</b>
Earnings per equity share			
Basic & diluted (Face value of Rs. 10 each)	19	1,461.69	(3,733.70)
Significant accounting policies	1		

The note nos 1 to 29 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  
 M.No. 505603



For and on behalf of the Board of Directors

**Manish Kumar Garg**  
 (Director)  
 DIN:00117415

**Jitender Kumar Garg**  
 (Director)  
 DIN: 00086161

Place : New Delhi  
 Date 27 MAY 2014


**Consolidated Cash flow statement for the year ended March 31, 2014**

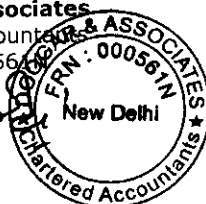
	(Amount in Rupees)	
Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>A. Cash flow from operating activities</b>		
<b>Profit/(Loss) for the year before tax</b>	18,244,329.77	(37,336,980.86)
<b>Adjustment for:</b>		
Interest income on bank deposits & others	(78,640,815.00)	-
Interest & finance charges	187,594,755.22	60,354,055.94
Liabilities no longer required written back (net)	(2,999.00)	-
<b>Operating profit before working capital changes</b>	127,195,270.99	23,017,075.08
<b>Adjustments for working capital</b>		
Inventories	(371,991,250.25)	(93,587,863.78)
Loans and advances	(811,407,210.98)	(369,912,859.01)
Trade payable and other liabilities	1,141,007,045.77	584,154,926.00
	(42,391,415.46)	120,654,203.21
<b>Cash from (used in) operating activities</b>	84,803,855.53	143,671,278.29
Direct tax paid	(8,248,566.00)	(1,693,348.00)
<b>Net cash (used in)/generated from operating activities</b>	76,555,289.53	141,977,930.29
<b>B. Cash flow from investing activities</b>		
Movement in bank deposits (net)	(27,169.00)	-
Interest income received	78,344,925.00	-
<b>Net cash (used in)/generated from Investing activities</b>	78,317,756.00	-
<b>C. Cash flow from financing activities</b>		
Share application money refunded	-	(15,000,000.00)
Repayment of borrowing	-	(54,672,107.00)
Interest and finance charges paid	(163,141,887.22)	(60,385,417.94)
	(163,141,887.22)	(130,057,524.94)
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	(8,268,841.69)	11,920,405.35
<b>Opening balance of cash and cash equivalents</b>	18,345,999.92	6,425,594.57
<b>Closing balance of cash and cash equivalents</b>	10,077,158.23	18,345,999.92

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

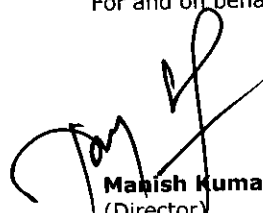
As per our report of even date attached

For and on behalf of  
**Doogar & Associates**  
 Chartered Accountants  
 Reg. No. 00056

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



For and on behalf of the Board of Directors

  
**Manish Kumar Garg**  
 (Director)  
 DIN:00117415

  
**Jitender Kumar Garg**  
 (Director)  
 DIN: 00086161

Place : New Delhi  
 Date : 27 MAY 2014

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

**1. 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. 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 salable 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 receipt basis due to uncertainty of recovery of the same and is treated as part of operating income.

**d. Investments**

Long-term investments are stated at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature.

**e. 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 the project.

**f. 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 sale are valued at lower of cost or net realizable value. Cost includes cost of Land, materials, construction, services, borrowing cost and other related overheads.

**g. Amortization of Miscellaneous Expenses**

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

**h. 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:

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

**j. 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 share.

**k. 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 the statement of profit and loss on straight line basis over the lease term.



### 1. 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 the statement of profit and loss in the year in which incurred.

### m. Principle 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 Subsidiary	(% of shareholding)	
	As at March 31, 2014	As at March 31, 2013
Omaxe India Trade Center Private Limited (Formally known as AVJ Towers Private Limited)	90%	90%

Particulars	(Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
10,00,000 (10,00,000) Equity Shares of Rs.10 each	10,000,000.00	10,000,000.00
	10,000,000.00	10,000,000.00
<b>Issued, subscribed &amp; paid up</b>		
10,000 (10,000) Equity Shares of Rs.10 each fully paid up	100,000.00	100,000.00
	100,000.00	100,000.00

Figures in bracket represent those of the previous year.

### 2.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
<b>Equity Shares of Rs 10 each fully paid</b>				
Shares outstanding at the beginning of the year	10,000	100,000.00	10,000	100,000.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,000	100,000.00	10,000	100,000.00

### 2.2 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 shareholders.

### 2.3 Shares held by holding / Ultimate holding company and / or their subsidiaries and associates

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
<b>Holding Company</b>				
Omaxe Limited	10,000	100,000.00	10,000	100,000.00
	10,000	100,000.00	10,000	100,000.00

### 2.4 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
Omaxe Limited	10,000	100%	10,000	100%

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.

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

2.6 The company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash and 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.



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(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>3. RESERVES &amp; SURPLUS</b>				
Surplus as per statement of profit & loss				
Balance at the beginning of the year		(37,972,521.29)		(635,540.43)
Add: Net profit/(loss) for the current year		14,616,894.77		(37,336,980.86)
Balance at the end of the year		<b>(23,355,626.52)</b>		<b>(37,972,521.29)</b>

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>4. OTHER LONG TERM LIABILITIES</b>				
Non current trade payables (refer note no.6)		184,437,000.00		215,176,500.00
Other non current liabilities (refer note no.7)		13,674,393.63		3,771,102.89
		<b>198,111,393.63</b>		<b>218,947,602.89</b>

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Long Term	Short Term	Long Term	Short Term
	Provision for income tax (net of advances)	-	10,827.00	-
	-	<b>10,827.00</b>	-	-

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current	Non Current	Current
	<b>6. TRADE PAYABLES</b>			
Trade Payables				
Deferred Payment Liabilities				
- in respect of land purchased on deferred credit terms	184,437,000.00	61,479,000.00	215,176,500.00	30,739,500.00
<b>Other trade payables</b>				
- due to micro small & medium enterprises*	-	97,358,268.00	-	-
- fellow Subsidiary companies	-	11,035,923.00	-	11,623,005.00
- others	-	-	-	-
	<b>184,437,000.00</b>	<b>169,873,191.00</b>	<b>215,176,500.00</b>	<b>42,362,505.00</b>
Less: Amount disclosed under the head "other long term liabilities" (Refer note. No.4)	184,437,000.00	-	215,176,500.00	-
	-	<b>169,873,191.00</b>	-	<b>42,362,505.00</b>

\*The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and, hence, disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non current	Current	Non current	Current
	<b>7. OTHER LIABILITIES</b>			
Book Overdraft	-	4,787,083.20	-	-
Security deposit received	13,674,393.63	41,999,191.34	3,771,102.89	31,784,589.00
Advance from customers and others	-	1,562,597,858.60	-	549,526,230.11
Statutory dues payable	-	8,534,252.00	-	2,347,873.00
Interest on trade payables	-	63,097,945.00	-	38,645,077.00
Other payable	-	180,698.00	-	110,821.00
	<b>13,674,393.63</b>	<b>1,681,197,028.14</b>	<b>3,771,102.89</b>	<b>622,414,590.11</b>
Less: Amount disclosed under the head "other long term liabilities" (refer note. No 4)	13,674,393.63	-	3,771,102.89	-
	-	<b>1,681,197,028.14</b>	-	<b>622,414,590.11</b>

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>8. INVENTORIES</b>				
Projects in progress		801,106,803.03		429,115,552.78
		<b>801,106,803.03</b>		<b>429,115,552.78</b>





**9. CASH & BANK BALANCES**

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current	Non Current	Current
<b>Cash and cash equivalents</b>				
Balance with banks in current account	-	3,734,369.56	-	1,841,657.92
Cash on hand	-	3,937,428.45	-	4,833,094.00
Cheques / drafts on hand	-	2,348,000.00	-	11,671,248.00
	-	10,019,798.01	-	18,345,999.92
<b>Other bank balances</b>				
Held as margin money	27,169.00	-	-	-
	27,169.00	-	-	-
Less: Amount disclosed under the head "other non current assets" (refer note no. 11)	27,169.00	-	-	-
	-	10,019,798.01	-	18,345,999.92

**10. 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)				
Loans and advances to related parties	-	999,679,467.23	-	390,598,655.33
Others	-	-	-	5,357,838.00
Advances against goods, services & others	-	205,468,763.00	-	-
Balance with government / statutory authorities	-	2,943,088.76	-	727,614.68
MAT credit entitlement	10,827.00	-	-	-
Direct taxes refundable	6,314,479.00	-	1,693,348.00	-
Prepaid expenses	-	23,168.00	-	23,168.00
	6,325,306.00	1,208,114,486.99	1,693,348.00	396,707,276.01

**10.1 Particulars of loans and advances given to related parties are as under:**

(Amount in Rupees)

Name of company	Relation	Balance as at	
		March 31, 2014	March 31, 2013
Omaxe Limited	Holding company	999,679,467.23	390,272,124.33
Volvo Properties Private Limited	Fellow subsidiary companies	-	326,531.00
	<b>Total</b>	<b>999,679,467.23</b>	<b>390,598,655.33</b>

**11. Other Assets**

(Amount in Rupees)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current	Non Current	Current
Other bank balances (refer note no. 9)	27,169.00	-	-	-
Interest accrued on deposits & others	-	295,890.00	-	-
	27,169.00	295,890.00	-	-

**12. REVENUE FROM OPERATIONS**

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Income from real estate projects	556,382.10	140,600.00
	556,382.10	140,600.00

**13. OTHER INCOME**

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest income on others		
- Bank deposits	2,169.00	-
- Others	78,638,646.00	16,933,484.00
Liabilities no longer required written back (net)	2,999.00	-
Miscellaneous income	78,065.67	6,004.16
	78,721,879.67	16,939,488.16



*[Handwritten signatures]*

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

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Inventory at the beginning of the year</b>		
Land	-	-
<b>Add: Incurred during the year</b>		
Land development and other rights	206,000.00	18,756,002.00
Building material purchases	402,500.25	-
Construction cost	177,786,489.00	7,564,068.00
Employee Cost	67,787.00	-
Rates & Taxes	306,931.00	-
Power, fuel & other electrical costs	1,461,144.00	519,910.00
Administration cost	4,223,004.00	6,681,557.00
Finance cost	187,537,395.00	60,066,326.78
	<b>371,991,250.25</b>	<b>93,587,863.78</b>
<b>Less: Inventory at the close of the year</b>		
Land	-	-
Cost of material consumed, construction & other related project costs	<b>371,991,250.25</b>	<b>93,587,863.78</b>

**15. 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>		
Projects in progress	429,115,552.78	335,527,689.00
	<b>429,115,552.78</b>	<b>335,527,689.00</b>
<b>Inventory at the close of the year</b>		
Projects in progress	801,106,803.03	429,115,552.78
	<b>801,106,803.03</b>	<b>429,115,552.78</b>
Changes in inventories of project in progress	<b>(371,991,250.25)</b>	<b>(93,587,863.78)</b>

**16. EMPLOYEE BENEFIT EXPENSE**

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Staff welfare expenses	67,787.00	-
	<b>67,787.00</b>	-
Less: Allocated to projects	67,787.00	-
	-	-

**17. FINANCE COST**

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest on others	187,547,347.00	60,256,424.00
Bank charges	47,408.22	97,631.94
	<b>187,594,755.22</b>	<b>60,354,055.94</b>
Less: Allocated to projects	187,537,395.00	60,066,326.78
	<b>57,360.22</b>	<b>287,729.16</b>



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## 18. OTHER EXPENSES

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Rent	60,000.00	24,669.00
Rates and taxes	4,790.00	12,374.00
Travelling and conveyance	174,706.00	57,261.00
Interest on income tax	-	2,208.00
Printing and stationery	86,446.00	90,442.00
Postage, telephone & courier	400.00	-
Legal & professional charges	3,661,831.00	6,541,332.00
Statutory audit fee	23,460.00	22,360.00
Miscellaneous expenses	309,677.00	126,221.86
	<b>4,321,310.00</b>	<b>6,876,867.86</b>
Less: Allocated to projects	4,223,004.00	6,681,557.00
<b>Total (a)</b>	<b>98,306.00</b>	<b>195,310.86</b>
<b>(b) Selling Expenses</b>		
Business promotion	725,461.00	3,070,212.00
Rebate & discount to customers	22,035.00	175,000.00
Commission	53,609,762.00	31,036,746.00
Advertisement and publicity	6,578,368.00	19,652,071.00
<b>Total (b)</b>	<b>60,935,626.00</b>	<b>53,934,029.00</b>
<b>Total (a+b)</b>	<b>61,033,932.00</b>	<b>54,129,339.86</b>

## 19. EARNINGS PER SHARE

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit/(loss) after tax (in Rupees)	14,616,894.77	(37,336,980.86)
Numerator used for calculating basic and diluted earnings per share	14,616,894.77	(37,336,980.86)
Equity shares outstanding as at the year end	10,000.00	10,000.00
Weighted average number of shares used as denominator for calculating basic & diluted earnings per share	10,000.00	10,000.00
Nominal value per share (in Rupees)	10.00	10.00
Basic & diluted earnings per share (in Rupees)	1,461.69	(3,733.70)

## 20. CONTINGENT LIABILITIES &amp; COMMITMENTS

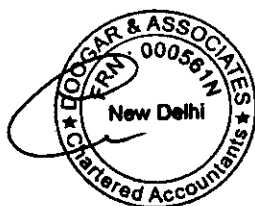
(Amount in Rupees)

Particulars	As at March 31, 2014	As at 31st March, 2013
Claims against the Company not acknowledged as debts	100,000.00	NIL
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

21. 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.

22. Inventories, loans and 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.

23. 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.



**24. EARNING AND EXPENDITURE IN FOREIGN CURRENCY**

	2013-14	2012-13
i) Earning in foreign currency	5,87,172.33	NIL
ii) Expenditure in foreign currency	NIL	NIL

(Amount in Rupees)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Statutory audit fees	22,360.00	22,360.00
Certification Charges	1,100.00	-
<b>Total</b>	<b>23,460.00</b>	<b>22,360.00</b>

**26. SEGMENT REPORTING**

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

**27. RELATED PARTIES DISCLOSURES**

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

- 1.) Ultimate Holding Company
  1. Guild Builders Private Limited
- 2.) Holding Company
  1. Omaxe Limited
- 3.) Fellow subsidiary company
  1. Volvo Properties Private Limited

Summary of transactions with related parties are as under

Related party transaction are as follows:- (Amount in Rupees)

Transactions	Omaxe Limited (Holding Company)	Volvo Properties Private Limited (Fellow Subsidiary company)	Total
<b>A. Transactions made during the year</b>			
Lease rent paid	36,000.00 (18,400.00)	Nil (Nil)	36,000.00 (18,400.00)
Interest income on others	78,309,879.00 (16,933,484.00)	Nil (Nil)	78,309,879.00 (16,933,484.00)
Construction costs	Nil (Nil)	156,603,380.00 (4,826,538.00)	156,603,380.00 (4,826,538.00)
<b>B. Closing Balances</b>			
Trade Payable	Nil (Nil)	97,358,268.00 (Nil)	97,358,268.00 (Nil)
Loans and advance receivables	999,679,467.23 (390,272,124.33)	Nil (326,531.00)	999,679,467.23 (390,598,655.33)

Figures in bracket represent those of previous period

28. The accounts of the company have been prepared on going concern basis. The company is engaged in real estate business and has not met all requisite conditions necessary for recognition of revenue as per Guidance note on Accounting for Real Estate Transactions (Revised), 2012, hence revenue on project have not been recognised resulting in temporary erosion of network.

The management of the company is of the opinion that upon recognition of revenue in subsequent years, the network would become positive and in view of landstock and project in progress there is no threat to going concern, hence accounts have been prepared on going concern basis.

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

The note no 1-29 referred to above forms an integral part of financial statements.

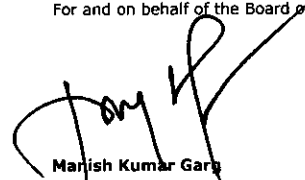
**As per our report of even date attached**


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

  
**Marish Kumar Garg**  
 (Director)  
 DIN:00117415

  
**Jitendra Kumar Garg**  
 (Director)  
 DIN: 00086161

Place: New Delhi  
 Date : 27 MAY 2014