

**STATEMENT OF ACCOUNTS FOR THE  
YEAR ENDED 31ST MARCH, 2017**

**AJMERA ESTATES (KARNATAKA)  
PRIVATE LIMITED**

**V. PAREKH & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**37, HAMAM STREET, FORT, MUMBAI - 400 001.**

**TEL. 2265 3555, 2265 0264, 2266 6219**

**E-mail : [mail@vparekh.com](mailto:mail@vparekh.com)**

## INDEPENDENT AUDITOR'S REPORT

**The Members,**  
**AJMERA ESTATES (KARNATAKA) PRIVATE LIMITED**  
**MUMBAI,**

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **AJMERA ESTATES (KARNATAKA) PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

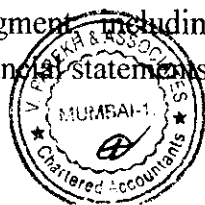
### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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



**AJMERA ESTATES (KARNATAKA) PRIVATE LIMITED**

- ii. the Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. the Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 18 to the standalone financial statements.

**MUMBAI,  
DATED : 22<sup>nd</sup> May 2017.**



**FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 107488W**

*Rasesh V Parekh*

**RASESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615**

## AJMERA ESTATES (KARNATAKA) PRIVATE LIMITED

### ANNEXURE-A to the Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017, we report that:

- (i) The company has no fixed assets during the year.
- (ii)
  - (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
  - (b) In our opinion and according to the explanations given to us, the procedures for physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - (c) In our opinion and according to the explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were observed during the course of physical verification.
- (iii) The Company has granted loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and the year end balance is Rs,182,78,56,780.
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
  - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) In our opinion and according to information and explanation given to us, the requirement of maintaining the Cost Records under Section 148 of the Act is not applicable to the Company.
- (vii)
  - a. The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax and other statutory dues to the extent applicable to it. There is no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
  - b. The Company does not have any dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.



**AJMERA ESTATES (KARNATAKA) PRIVATE LIMITED**

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 107488W**



*Rasesh V. Parekh*

**RASESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615**

**MUMBAI,  
DATED : 22<sup>nd</sup> May 2017.**

## AJMERA ESTATES (KARNATAKA) PRIVATE LIMITED

### 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 **AJMERA ESTATES (KARNATAKA) PRIVATE LIMITED** ("the company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the standalone 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 standalone 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.



## AJMERA ESTATES (KARNATAKA) PRIVATE LIMITED

### 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 standalone 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 standalone financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, 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.

MUMBAI,  
DATED : 22<sup>nd</sup> May 2017.



FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 107488W

*Rasesh V. Parekh*

RASESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615

**AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED**  
**BALANCE SHEET AS ON 31ST MARCH, 2017**

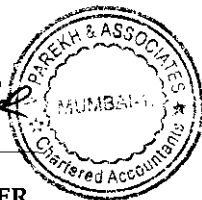
( Amt in Rs. )

Particulars	Note	As at 31st March 2017		As at 31st March 2016	
<b>I. Equity and Liabilities</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	3		1,00,000		1,00,000
<b>2) Reserves and Surplus</b>					
(b) Reserves and Surplus	4		31,18,44,607		38,53,71,338
<b>(2) Non-Current Liabilities</b>					
(a) Long-term borrowings	5	1,72,44,20,706		1,45,45,05,680	
<b>(3) Current Liabilities</b>					
(a) Short-term borrowings	6	55,33,54,659		16,67,66,226	
(b) Trade Payables	7	23,000		22,900	
- Due to Micro Small and Medium Scale Enterprises					
-Due to Others					
(c) Other Liabilities	8	1,63,82,693	56,97,60,352	57,00,122	17,24,89,248
<b>Total</b>			<b>2,60,61,25,665</b>		<b>2,01,24,66,266</b>
<b>II. Assets</b>					
<b>(1) Non-current Assets</b>					
a) Non Current Investment	9	75,77,49,850		70,53,05,595	
b) Long Term Loans and Advances	10	1,23,47,29,673		1,11,77,51,201	
<b>(2) Current Assets</b>					
(c) Cash and cash equivalents	11	2,05,19,036		2,01,92,576	
(d) Short-term loans and advances	12	59,31,27,106		16,92,16,894	
<b>Total</b>					
			<b>61,36,46,142</b>		<b>18,94,09,470</b>
<b>Total</b>			<b>2,60,61,25,665</b>		<b>2,01,24,66,266</b>
Summary of significant accounting	2				

This is the Balance sheet referred to in our report of even date.  
The accompanying notes are an integral part of the financial statements.

FOR V. PAREKH & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 107488W

*Rasesh V. Parekh*



RASESH V. PAREKH - PARTNER

Membership No. 38615  
Place : Mumbai  
Date : 22nd May 2017

FOR AND ON BEHALF OF  
AJMERA ESTATE (KARNATAKA) PRIVATE LIMITED

*D. R. Ajmera*

Dhaval R. Ajmera  
(Director)

DIN : 00012504

Place : Mumbai

Date : 22nd May 2017

*Nimish S. Ajmera*

Nimish S. Ajmera  
(Director)

DIN : 00012508



**AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

( Amt in Rs. )

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>I. Revenue from operations</b>			
Share of Profit from Investment	13	3,23,54,131	7,34,81,993
Other Income		11,257	-
<b>III. Total Revenue (I + II)</b>		<b>3,23,65,388</b>	<b>7,34,81,993</b>
<b>IV. Expenses</b>			
(a) Finance Cost	14	48	414
(b) Other expenses	15	96,06,008	14,65,900
<b>Total Expenses</b>		<b>96,06,056</b>	<b>14,66,314</b>
<b>XI. Profit/(Loss) for the period from continuing operations</b>		<b>2,27,59,332</b>	<b>7,20,15,678</b>
<b>XII. Tax Expense of discontinuing operations</b>			
<b>XIII Profit/ (Loss) for the period [Profit after tax (PAT)]</b>		<b>2,27,59,332</b>	<b>7,20,15,678</b>
<b>XIV. Earnings per equity share</b>			
(1) Basic		2,276	7,202
(2) Diluted		2,276	7,202
Summary of significant accounting policies	1		

This is the Profit and Loss Statement, referred to in our report of even date.  
The accompanying notes are an integral part of the financial statements.

**FOR V. PAREKH & ASSOCIATES**

Chartered Accountants  
Firm Reg. No. 107488W

*Rakesh V. Parekh*



**RAKESH V. PAREKH - PARTNER**

Membership No. 38615

Place : Mumbai

Date : 22nd May 2017

**FOR AND ON BEHALF OF**

**AJMERA ESTATE (KARNATAKA) PRIVATE LIMITED**

*D. R. Ajmera*

**Dhaval R. Ajmera**  
(Director)

DIN : 00012504

Place : Mumbai

Date : 22nd May 2017

*Nimish S. Ajmera*

**Nimish S. Ajmera**  
(Director)

DIN : 00012508

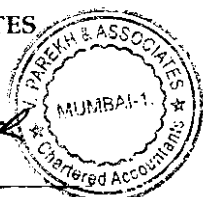
**AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	2,27,59,332	7,20,15,678
<b>Adjustments for Non Cash and Non Operating Items</b>		
Operating profit before working capital changes	2,27,59,332	7,20,15,678
<b>Movements in working capital :</b>		
Increase/(decrease) in other current liabilities		-
Decrease/(increase) in long term loans and advances	(11,69,78,472)	(65,88,33,374)
Decrease/(increase) in non current assets		-
Decrease/(increase) in short term loans and advances	(42,39,10,212)	48,96,16,479
Increase/(decrease) in trade payables	100	(1,07,02,360)
Increase/(decrease) in short term provisions	10682571	-
Cash Generated from/(used in ) operations	(50,74,46,681)	(10,79,03,576)
Direct Taxes paid (net of refunds)		-
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(50,74,46,681)</b>	<b>(10,79,03,576)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets		-
Proceeds from non-current investments	(5,24,44,255)	(2,73,83,145)
Miscellaneous expenses incurred during the year		-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(5,24,44,255)</b>	<b>(2,73,83,145)</b>
<b>Cash flow from financing activities</b>		
Proceeds from Long Term borrowings	26,99,15,026	68,49,18,855
Proceeds from Short term borrowings	38,65,88,433	(44,90,56,133)
Dividend paid	(8,00,00,000)	(8,83,00,000)
Tax on dividend paid	(1,62,86,063)	(1,79,96,618)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>56,02,17,396</b>	<b>12,95,66,104</b>
Net increase/(decrease) in cash & cash equivalents (A+B+C)	3,26,460	(57,20,616)
Cash & cash equivalents at the beginning of the year	2,01,92,576	2,02,13,071
Cash & cash equivalents at the end of the year	2,05,19,036	1,44,92,454
<b>Components of cash and cash equivalents</b>		
Cash on hand	98,557	98,557
Balance with banks	2,04,20,479	2,00,94,019
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>2,05,19,036</b>	<b>2,01,92,576</b>

This is the Cash flow statement referred to in our report of even date.  
The accompanying notes are an integral part of the financial statements.

**FOR V. PAREKH & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 107488W



**RASESH V. PAREKH - PARTNER**  
Membership No. 38615

Place : Mumbai  
Date : 22nd May 2017

**FOR AND ON BEHALF OF**  
**AJMERA ESTATE (KARNATAKA) PRIVATE LIMITED**

**Dhaval R. Ajmera**  
(Director)  
DIN : 00012504

Place : Mumbai  
Date : 22nd May 2017

**Nimish S. Ajmera**  
(Director)  
DIN : 00012508

## AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED

Notes to financial statements for the year ended 31st March, 2017

### 1 Corporate information

AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED is a Private Limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The company is engaged in business of construction and development of property.

### 2 Summary of significant accounting policies

#### a. Basis of preparation of financial statements

The financial statements are prepared in accordance with the generally accepted accounting principles (GAPP) in India under the historical cost of convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rule, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### c Current and Non Current Classification

An asset is classified as current when it satisfies any of the following criteria :

- i. It is expected to be realized/ settled, or is intended for sale or consumption, In the companies normal operating cycle or
- ii. It is held primarily for the purpose of being traded or
- iii. It is expected to be realized/ due to be settled within 12 months after the reporting date or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date or
- v. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other assets and liabilities are classified as non current

#### d Tangible fixed assets

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any .The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent expenditure related to an item of fixed is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred. Gains or losses arising from de recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



**e Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**f Depreciation and Amortization**

Depreciation on tangible assets is provided on the Straight Line Method over the useful life of assets prescribed under Schedule-II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use.

**g Impairment of Tangible and Intangible Assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generated units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining net selling price, recent market transaction is taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

**h Inventories**

**Construction Materials and Consumables**

Construction Materials and Consumables are valued at lower of cost or net realizable value. The Construction materials and consumables purchased for construction work issued to construction work in progress are treated as consumed.

**Construction Work in Progress**

Construction Work in Progress are valued at lower of cost or net realizable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

**Finished Stock of Flats**

- i. Unsold Flats & Convenient Units are valued at cost.
- ii. Valuation of construction material is not considered on year to year basis.



### **i Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investment.

On initial recognized, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investment is carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **j Revenue recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

#### **Income from services**

Revenues from services rendered are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects statutory tax like service tax/vat etc. on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence it is excluded from revenue. Unbilled revenue is recognized to the extent not billed at the year end.

#### **Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

#### **Dividends**

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

### **k Retirement and other employee benefits**

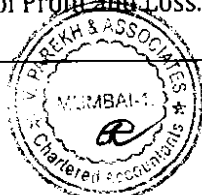
Employee benefits include Provident Fund, Employee State Insurance, gratuity and compensated absences.

#### **Defined contribution plans**

Retirement benefit in the form of provident fund and employees state insurance are defined contribution schemes. The contributions to the provident fund and employees state insurance are charged to the Statement of Profit and Loss for the year when the contributions are due.

#### **Defined benefit plans**

The Company operates two defined benefit plans for its employee, viz., gratuity and compensated absences scheme. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the Projected Unit Credit method. Actuarial gains and losses for both defined plans are recognized in full in the period in which they occur in the Statement of Profit and Loss.



Compensated absences, which are expected to be utilized within the next 12 months, are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the Projected Unit Credit method at the year-end. Actuarial gains and losses for both defined plans are recognized in full in the period in which they occur in the Statement of Profit and Loss.

Expenses incurred towards voluntary retirement scheme are charged to the Statement of Profit and Loss when incurred.

## **1 Foreign currency translation**

### **Foreign currency transaction and balances**

#### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transactions.

#### **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

#### **Exchange differences**

Exchange differences on monetary items are recognized as income or as expenses in the period in which they arise.

#### **Income taxes**

Tax expenses comprise current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted by the reporting date. Deferred income-tax relating to items recognized in equity is recognized in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the Company has unabsorbed or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.



The carrying amount of deferred tax assets is reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down may be reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 that 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 Alternative Tax under the Income -tax Act,1961, it 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 specified period.

#### **n Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjustable for the effect of all dilutive potential equity shares.

#### **o Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **p Contingent liabilities**

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.

#### **q Cash and cash equivalents**

Cash and cash equivalent for the purposes of cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### **r Investments**

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

#### **s Government Grants/ Deferred Income**

Government grants/ subsidies have been recognized when there is a reasonable assurance that the conditions attached to them will be complied, and the grants/ subsidies will be received.

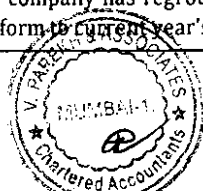
Government grants/subsidies relating to depreciable fixed assets are treated as deferred income which is recognized in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the assets. Unamortized Deferred Government Subsidy is carried to the Balance Sheet.

#### **t Impairment of Fixed Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

#### **u Regrouping of Previous Year Figures.**

The company has regrouped / rearranged and reclassified previous year figures wherever required to conform to current year's classification.



**AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED**  
Notes to financial statement for the year ended 31st March 2017

Note : 3 : Share Capital

(Amt in Rs.)

Authorized, Issued, Subscribed and paid-up share capital and par value per share

Particulars	31st March 2017	31st March 2016
<b>Authorized Share Capital</b> 10,000 (Previous year 10,000 ) Equity Shares of Rs. 10/- each	100000	1,00,000
	100000	1,00,000
<b>Issued &amp; Subscribed Share Capital</b> 10,000 (Previous year 10,000 ) Equity Shares of Rs. 10/- each	100000	1,00,000
	100000	1,00,000

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

Particulars	As on 31st March 2017	Amount (Rs.)	As on 31st March 2016	Amount (Rs.)
Number of Equity Shares outstanding as at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Add :				
Number of shares allotted for cash	-	-	-	-
Number of Equity Shares outstanding as at the end of the year	10,000	1,00,000	10,000	1,00,000

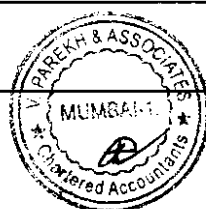
(B) Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting.

During the year ended 31st March 2017, the amount of per share dividend recognised as distributions to equity shareholders was Rs. 8000/- (Previous Year Rs. 8830/-)

C) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	31st March, 2017		31st March, 2016	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Ajmera Realty & Infra India Limited - The holding Company	10,000	1,00,000	10,000	1,00,000





Aggregate numbers of bonus shares issued, share issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting date:

	31st March, 2017	31st March, 2016
	No. of shares	No. of shares
2015-2016	-	-
2014-2015	-	-
2013-2014	-	-
2012-2013	-	-
2011-2012	-	-

In addition, the company has issued total Nil shares (PY NIL) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan(ESOP) wherein part consideration was received in form of employee services.

(D) Details of shareholders holding more than 5 % shares in the company

Name of the shareholder	31st March, 2017		31st March, 2016	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Equity shares of Rs. 10 each fully paid				
Ajmera Realty & Infra India Limited	10,000	100.00%	10,000	100.00%

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.

Note : 4 : Reserves and Surplus

(Amt in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statement	33,06,80,231	37,21,62,738
Add : Profit/ (Loss) for the year	2,27,59,332	7,20,15,678
Less: Appropriations	-	-
Interim equity dividend (Refer Note. No. 3(b))	8,00,00,000	8,83,00,000
Tax on proposed equity dividend	1,62,86,063	1,79,96,618
Total appropriations	25,71,53,500	33,78,81,799
Total reserves and surplus	25,71,53,500	33,78,81,799
Less : Transfer to General Reserve	22,75,933	72,01,568
	25,48,77,567	33,06,80,231
General Reserve :		
As per last financial statement	5,46,91,107	4,74,89,539
Transfer to Statement of Profit and Loss	22,75,933	72,01,568
	5,69,67,040	5,46,91,107
	31,18,44,607	38,53,71,338



**AJMERA ESTATE (KARNATAKA) PRIVATE LIMITED**  
**Notes to Financial statement for the year ended 31st March 2017**

(Amt. in Rs.)

(2) Non-Current Liabilities	31st March 2017	31st March 2016
<b>Note : 5: Long term borrowings</b>		
<b>From Related Parties</b>		
Secured	-	-
Unsecured	1,72,44,20,706	1,45,45,05,680
	<b>1,72,44,20,706</b>	<b>1,45,45,05,680</b>

**3) Current Liabilities**

**Note : 6 : Short term Borrowings**

Particulars	31st March 2017	31st March 2016
Interest free loans and advances from related parties repayable on demand (unsecured)	55,33,54,659	13,87,66,226
Proposed Dividend	-	2,80,00,000
<b>Total</b>	<b>55,33,54,659</b>	<b>16,67,66,226</b>

**Note : 7 : Trade Payables**

Particulars	31st March 2017	31st March 2016
Due to micro and small enterprises (Refer Note No. 17)	-	-
Due to Otheres	23,000	22,900
<b>Total</b>	<b>23,000</b>	<b>22,900</b>

**Note : 8 : Other Liability**

Particulars	31st March 2017	31st March 2016
Other Liabilities	96,630	-
Dividend Tax	1,62,86,063	57,00,122
<b>Total</b>	<b>1,63,82,693</b>	<b>57,00,122</b>



**AJMERA ESTATE (KARNATAKA) PRIVATE LIMITED**  
**Notes to Financial statement for the year ended 31st March 2017**

**II. ASSETS**

(1) Non-current assets (unsecured, considered good) (Amt in Rs.)

Particulars	31st March 2017	31st March 2016
<b>Note : 09: Non current investments</b>		
Investment in firm	75,77,49,850	70,53,05,595
<b>Total</b>	<b>75,77,49,850</b>	<b>70,53,05,595</b>

**Note : 10 : Long Term Loan and Advances**

Particulars	31st March 2017	31st March 2016
Long Term Loan and Advances (From Related Parties)	1,23,47,29,673	1,11,77,51,201
<b>Long Term Loans And Advances</b>	<b>1,23,47,29,673</b>	<b>1,11,77,51,201</b>

**AJMERA ESTATE (KARNATAKA) PRIVATE LIMITED**  
**2017**

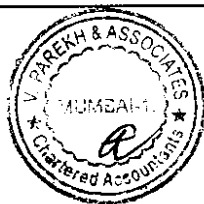
(2) Current assets

**Note : 11 : Cash and Bank Balance**

Particulars	31st March 2017	31st March 2016
<b>Cash and Cash Equivelents</b>		
Cash on hand	98,557	98,557
Bank Balance	2,04,20,479	2,00,94,019
<b>Total</b>	<b>2,05,19,036</b>	<b>2,01,92,576</b>

**Note : 12 : Short Term Loan and Advances**

Particulars	31st March 2017	31st March 2016
Short Term Loan and Advances	59,31,27,106	16,92,16,894
<b>Short Term Loan and Advances</b>	<b>59,31,27,106</b>	<b>16,92,16,894</b>



AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED

Details Of Direct expenses

PARTICULARS	Total	
	2016-2017	2015-2016
<b>Note: 13</b>		
<b>I. Revenue from operations</b>		
Share of Profit from Ajmera Housing Corporation (Bangalore)	3,23,54,132	7,34,81,993
other income	11,257	-
<b>Total Income</b>	<b>3,23,65,389</b>	<b>7,34,81,993</b>
<b>Note:14</b>		
<b>Financial costs</b>		
Bank charges	48	414
<b>TOTAL</b>	<b>48</b>	<b>414</b>
<b>Note:15</b>		
<b>Other Expenses</b>		
Audit Fees	23,000	22,900
Filing Fees	5,457	-
Donation (Corporate Social Responsibility)		14,43,000
DIVIDEND	-	-
SALARY	91,91,331	-
CONVEYANCE	38,400	-
HELPER ALLOWANCE	3,00,000	-
INTEREST	17,820	-
MEDICAL REIMBURSMENT	30,000	-
<b>TOTAL</b>	<b>96,06,008</b>	<b>14,65,900</b>
<b>Payment to Auditors :</b>		
As Auditors :		
Audit Fees	23,000	22,900
	<b>23,000</b>	<b>22,900</b>



**AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED**

Note : 16

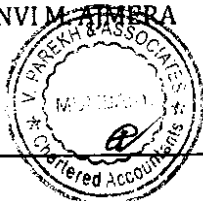
Related party Disclosures:

(a) List of Related parties and relationships:

Name	Relationship
<b>(A) Key management personnel</b>	
(a) Shri. Rajnikant S. Ajmera	Director
(b) Shri. Ishwarlal S. Ajmera	Director

**(B) Relatives of Key Management Personnel**

- ATUL C. AJMERA HUF
- ATUL C. AJMERA
- BHOGILAL S. AJMERA
- BINAL S. AJMERA
- JYOTI N. AJMERA
- SANJAY C. AJMERA
- DHAVAL R. AJMERA
- DHAVAL R. AJMERA HUF
- ISHWARLAL S. AJMERA HUF
- JAYANT I. AJMERA
- JAYANT I. AJMERA HUF
- MANOJ I. AJMERA HUF
- MEGHA S. AJMERA
- NATWARLAL S. AJMERA
- NATWARLAL S. AJMERA HUF
- RAJNIKANT S. AJMERA HUF
- SANJAY C. AJMERA HUF
- SONALI A. AJMERA
- SURENDRA I. AJMERA HUF
- TANVI M. AJMERA



(B) Enterprises over which significant influence is exercised by Key management personnel

i. Ultratech Property Developers Private limited	Associate Company
ii. A.G. Estate Private Limited	Associate Company
iii. Ajmera Cement Private Limited	Associate Company
iv. Ajmera Citi Developers Private Limited	Associate Company
v. Ajmera Housing Corporation	Associate Company
vi. Ajmera Housing Corporation Bangalore	Associate Company
vii. Ajmera Realcon Private Limited	Associate Company
ix. Ajmera Bora Associates	Associate Company
x. Ajmera Water N Amusement Park Private Limited	Associate Company
xi. Bombay Freezco Private Limited	Associate Company
xii. Four Brothers	Associate Company
xiii. V.M. Procon Private limited	Associate Company
xiv. Nilkanth Tech Park Private Limited	Associate Company
xv. Pramukh Development Corporation	Associate Company
xvi. Sankalp Holdings Private Ltd	Associate Company
xvii. Shree Precoated Steel Limited	Associate Company
xviii. Vijay Nagar Corporation	Associate Company
xix. Yogi Nagar Vasahat Private Limited	Associate Company
xx. Rushab Investments Private limited	Associate Company
xxi. Comet India Private Limited	Associate Company



**AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED**  
**Notes to Financial Statement for the year ended 31st March 2016**

**(b) Disclosures required for related parties transactions**

Transactions during the year	Associates/Subsidiary		Directors and Relatives	
	2016-2017	2015-2016	2016-2017	2015-2016
Transactions during the year				
Finance received / (Given) in form of Loan	12,74,99,200 (35,00,000)	12,50,000	NIL	NIL

**Disclosure in respect of material transactions with related parties**

Name of Related Party	Relationship	Advance Paid/Repaid	Advance Received	Maximum O/S during the Period 31.03.2017
				Amount (Rupees)
Ajmera Realty and Infra India Ltd	Holding Company	77,48,00,800	90,08,00,000	1,42,74,03,351
		88,40,35,000	77,82,47,925	71,44,98,658
Ajmera Housing Corporation (Bangalore)	Associate in which Company is Partner	77,21,00,000	60,28,83,106	1,23,47,29,673
		73,96,00,000	86,40,35,000	50,71,83,411
Ajmera Housing Corporation	Associates	35,00,000	-	8,05,05,033
		-	-	8,40,05,033



- 17 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:**
- The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year : Nil
  - The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.
  - The amount of Interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006
  - The amount of Interest accrued and remaining unpaid at the end of each accounting year Nil
  - The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil
  - The above information and that given in –“Trade Payables” regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of available with the company. This has been relied upon by the auditors.

**18 Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Amount in Rupees		
	SBNs*	Other Denomination Notes	Total
Closing Cash on hand as on 08/11/2016	-	98,557.00	98,557.00
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount Deposited in Banks	-	-	-
Closing Cash on hand as on 30/12/2016	-	98,557.00	98,557.00

\* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

- 19** There is no foreign currency income/expenditure during the year.





- 20 **Capital and other commitments**  
Capital and other commitments on account of revenue as well as capital nature is Rs. NIL(Previous Year NIL)
- 21 The Balance in Debtors, Creditors and Advances accounts are subject to confirmation and reconciliation, if any. However as per management opinion no material impact on financial statements out of such reconciliation is anticipated.
- 22 **Subsequent events**  
There is not any subsequent event reported after the date of financial statements.
- 23 **Taxation**  
**Income Tax**  
In view of loss during the year no provision for income tax including Minimum Alternative Tax (MAT) has been made.
- 24 **Deferred Tax**  
The company does not envisage any deferred tax assets/liability.

As per our report of even date  
For and on behalf of  
**FOR V. PAREKH & ASSOCIATES**

Chartered Accountants  
Firm Reg. No. 107488W

*Rasesh V. Parekh*

**RASESH V. PAREKH - PARTNER**  
Membership No. 38615  
Place : Mumbai  
Date : 22nd May 2017



For and on behalf of Board Of Directors of

**AJMERA ESTATE(KARNATAKA) PRIVATE LIMITED**

*D. R. Ajmera*

**Dhaval R. Ajmera**  
(Director)  
DIN : 00012504  
Date : 22nd May 2017

*Nimish S. Ajmera*

**Nimish S. Ajmera**  
(Director)  
DIN : 00012508