

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **M/s PYRITE BUILDERS & CONSTRUCTION PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s PYRITE BUILDERS & CONSTRUCTION PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

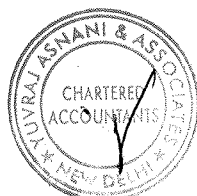
**Management's Responsibility for the Financial Statements**

The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other regularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 there under. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances.



An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state affairs of the Company as at 31 March, 2017, its profit and its cash flows for the year ended on that date.

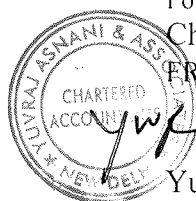
### Report on Other Legal and Regulatory Requirements

As required by the companies (Auditor's Report) Order, 2016 ("The Order"), issued by the Central Government of India in terms of sub section of sub section (11) of Section 143 Companies Act, 2013, We give in the Annexure a statements on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable. As required by section 143(3) of the Act, we further report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e. On the basis of written representation received from the directors as on April 1, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on April 1, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f. Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The Company does not have any pending litigations which would impact its financial position.
  - (ii) The Company did not have any long term contracts including derivative contracts; for which there were any material aforesaid losses.
  - (iii) There were no amounts which were required to be transferred to Investor Education & Protection fund by the Company.

Place: New Delhi

Date: 08/05/17



For Yuvraj Asnani & Associates

Chartered Accountants

ERN: 007550N

Yuvraj Asnani

(Prop.)

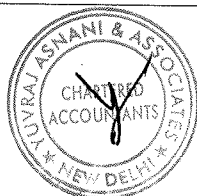
Membership No. 086438

**M/s PYRITE BUILDERS & CONSTRUCTION PRIVATE LIMITED**

Annexure to the Auditor's Report

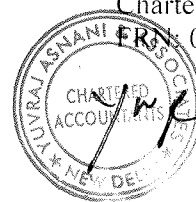
The Annexure referred to in our report to the members of Pyrite Builders &amp; Construction Private Limited for the year ended on 31st March, 2017. We report that

S. No.	Particular	Auditor Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	--Not Applicable--
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts;	--Not Applicable--
	(c) Whether the title deeds of immovable properties are held in the name of company. If not provide the details thereof;	--Not Applicable--
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	--Not Applicable--
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability, Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	--Not Applicable--
	(a) Whether the term and conditions of the grant of such loans are not prejudicial to company's interest;	--Not Applicable--
	(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	--Not Applicable--
	(c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	--Not Applicable--
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the companies Act, 2013 have been complied with. If not, provide the details thereof.	-Not Applicable-
(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, The nature of contraventions should be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not	--Not Applicable--
(vi)	Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	--Not Applicable--
(vii)	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax duty of customs, duty of excise, value added tax cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they become payable, shall be indicated;	---Yes---



	(b) Where due of income tax or sales tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where disputed is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as dispute).	--Not Applicable--
(viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	--Not Applicable--
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised. If not, the details together with delays or defaults and subsequent rectification, if any, as may be applicable be reported;	--Not Applicable--
(x)	Whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year; if yes, the nature and the amount involved is to be indicated;	--Not Applicable--
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the company Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	--Not Applicable--
(xii)	Whether the Nidhi Company has complied with the net Owned funds to deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	--Not Applicable--
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of companies Act, 2013 where applicable and the details have been disclosed in the financial statement etc., as required by the applicable accounting standards;	---Yes---
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the companies Act, 2013 have been complied with and the amount raised have been used for the purpose for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	--Not Applicable--
(xv)	Whether the company has entered into any non company transactions with directors or persons connected with him and if so, whether the provisions of section 192 of companies Act, 2013 have been complied with;	--Not Applicable--
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve bank of India Act, 1934 and if so, whether the registration has been obtained.	--Not Applicable--

For Yuvraj Asnani & Associates  
Chartered Accountants



FRS No. 007550N

*Yuvraj Asnani*

Place: New Delhi

Date: 08/05/17

Yuvraj Asnani  
(Prop.)

**Annexure- B to the Auditor's 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 **Pyrite Builders & Construction Pvt. Ltd.** (the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Control**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial 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.

**Auditor's 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 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 and, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a proves designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in



accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements


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

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

### **Opinion**

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

**For Yuvraj Asnani & Associates**  
Chartered Accountants  
FRN: 007550N

*Yuvraj Asnani*  


Yuvraj Asnani  
(Proprietor)  
M.No. 086438  
Place: New Delhi  
Date: 08/05/2017

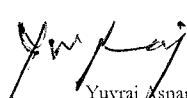
**PYRITE BUILDERS & CONSTRUCTIONS PRIVATE LIMITED**  
Balance Sheet as at 31 March 2017

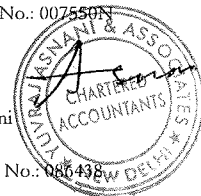
Particulars	Note	As at 31 March 2017 (₹)	As at 31 Mar 2016 (₹)	As at 1 April 2015 (₹)
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Deferred tax assets (net)	3	92,021	73,310	45,074
b) Other non-current assets	4	81,871	81,871	-
		<u>173,892</u>	<u>155,181</u>	<u>45,074</u>
<b>Current assets</b>				
a) Inventories	5	248,357,202	248,357,202	248,277,861
b) Financial Assets				
Cash and cash equivalents	6	2,033,173	2,179,973	2,050,304
c) Assets for Current Tax (Net)	7	-	-	369,908
		<u>250,390,375</u>	<u>250,537,175</u>	<u>250,698,073</u>
		<u>250,564,267</u>	<u>250,692,356</u>	<u>250,743,147</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share capital	8	100,000	100,000	100,000
b) Other Equity		(291,574)	(190,170)	(111,812)
		<u>(191,574)</u>	<u>(90,170)</u>	<u>(11,812)</u>
<b>Current liabilities</b>				
(a) Financial Liabilities				
i) Trade payables	9	208,890,841	208,915,016	208,884,959
ii) Other financial liabilities	10	41,865,000	41,865,000	41,865,000
(b) Other current liabilities	11	-	2,510	5,000
		<u>250,755,841</u>	<u>250,782,526</u>	<u>250,754,959</u>
		<u>250,564,267</u>	<u>250,692,356</u>	<u>250,743,147</u>
Summary of significant accounting policies	2			

The accompanying notes form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date

For Yuvraj Asnani & Associates  
Chartered Accountants  
Registration No.: 0075501

  
Yuvraj Asnani  
(Proprietor)  
Membership No.: 086438



For and on behalf of the Board of Directors

  
(Sanjay Bhardwaj)  
Director  
DIN-06487560

  
(Satish Kr Tyagi)  
Director  
DIN- 00003431

Place: Gurgaon

Date: 8/5/17

PRITE BUILDERS & CONSTRUCTIONS PRIVATE LIMITED  
Statement of Changes in Equity for the year ended 31st March - 2017

8. EQUITY SHARE CAPITAL

Particulars	(Amount in Rs.)	
	Balance at the beginning of the reporting year	Change in equity share capital during the year
Total	100,000	-
		100,000

B. OTHER EQUITY

Particulars	Share application money pending allotment	Equity component of compound financial	Capital Reserve	Reserves and surplus			Debt instruments through other Comprehensive	Equity instruments through other Comprehensive	Effective portion of Cash Flow Hedges	Revaluation surplus	Exchange differences on translating the financial	Other items of other Comprehensive Income	Money received against share warrants	Total
				Securities Premium	Other Reserves	Retained Earnings								
Balance at the beginning of the reporting year 1-Apr-2015	-	-	-	-	-	(11,812)	-	-	-	-	-	-	-	(11,812)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained balance at the beginning of the reporting year	-	-	-	-	-	(78,336)	-	-	-	-	-	-	-	(78,336)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting year 31-Mar-2016	-	-	-	-	-	-	-	-	-	-	-	-	-	(90,170)
Balance at the beginning of the reporting year 1-Apr-2016	-	-	-	-	-	-	-	-	-	-	-	-	-	(90,170)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,404)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting year 31-Mar-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	(291,574)

For Yuvraj Asmani & Associates  
Chartered Accountants  
Registration No.: 007550N  
Yuvraj Asmani  
(Partner in Charge)  
Membership No.: 086458

For and on behalf of the Board of Directors  
(Sanjay Jhaardwal)  
Director  
DIN-06487560

(Sushil K. Tyagi)  
Director  
DIN-00003431

Place : Gujrat

Date : 8/5/17

KK



**PYRITE BUILDERS & CONSTRUCTIONS PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31 March 2017**

Particulars	Note	31 March 2017 (₹)	31 March 2016 (₹)
<b>REVENUE</b>			
Other income	12	-	15,843
		<u>-</u>	<u>15,843</u>
<b>EXPENSES</b>			
Changes in Inventory	13	(478)	(78,863)
Purchase of Inventory	14	478	78,863
Other expenses	15	120,115	122,437
		<u>120,115</u>	<u>122,437</u>
<b>Loss before tax</b>		<b>(120,115)</b>	<b>(106,594)</b>
<b>Tax expense</b>			
Deferred tax		18,711	28,236
<b>Loss for the year/ previous year after tax</b>		<b>(101,404)</b>	<b>(78,358)</b>
<b>Loss per share (₹)</b> (Basic and diluted)	16	<b>(10.1)</b>	<b>(7.8)</b>


Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For Yuvraj Asnani & Associates  
Chartered Accountants

Registration No. 007550N

  
Yuvraj Asnani  
(Proprietor)  
Membership No. 086438

Place: Gurgaon

Date: 8/5/17

For and on behalf of the Board of Directors

  
(Sanjay Bhardwaj)  
Director  
DIN-06487560

  
(Satish Kr Tyagi)  
Director  
DIN- 00003431

**PYRITE BUILDERS & CONSTRUCTIONS PVT. LTD.**  
Cash flow statement for the year ended March 31, 2017


(Amt. in Rs )

Particulars	31-Mar-2017	31-Mar-2016
<b>A. Cash flow from operating activities</b>		
(Loss) before tax from continuing operations	(120,115)	(106,594)
Add: Adjustments -		
Interest Received		-
Realisation agst sale of land		
Increase/(Decrease) in Current liabilities	(26,685)	27,566
Increase/(Decrease) in Current Assets, Loans & Advances	-	208,696
Net Cash flow from Operating Activities	<b>(146,800)</b>	<b>129,668</b>
<b>B. Cash flows from investing activities</b>		
Net Cash Flow from Investing Activities	-	-
<b>C. Cash flows from financing activities</b>		
Net Cash Flow From Financing Activities	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(146,800)	129,668
Opening cash and cash equivalents	2,179,973	2,050,305
Closing cash and cash equivalents	<b>2,033,173</b>	<b>2,179,973</b>

Significant accounting policies : Notes 2

This is the Cash flow statement referred to in our report of even date

For and on behalf of  
Yuvraj Asnani & Associates  
Chartered Accountants  
Registration No.: 007550N

  
Yuvraj Asnani  
(Proprietor)

Membership No.: 086438

Place : Gurgaon

Date : 8/5/17

For and on behalf of the Board of Directors

  
(Sanjay Bhardwaj)  
Director  
DIN-06487560

  
(Satish Kr Tyagi)  
Director  
DIN-00003431

# PYRITE BUILDERS & CONSTRUCTIONS PVT. LTD.

## Summary of significant accounting policies and other explanatory information for the year ended 31st March 2017

### 1. Corporate information

Pyrite Builders & Constructions Private Limited. is a company incorporated under the provision of Companies Act, 1956 read with relevant provisions of companies Act 2013 on 25<sup>th</sup> January 2007 The company is primarily engaged in the business of construction, development and sale of real estate properties in India.

### 2. Summary of significant accounting polices

#### a) Basis of preparation of financial statement - First Time adoption of Ind AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statement for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 01, 2015 (The company's date of transition).

The financial statements have been prepared under historical cost convention, on accrual basis, in accordance with the IND AS in India, and to comply in all material aspects with the accounting standards as per section 133 of Companies Act, 2013 read with rules made there under and the relevant guidance notes issued by the Institute of Chartered Accountants of India (ICAI)

The financial statements for the year ended March 31, 2017 were authorized and approved for issue by the Board of Directors on 08.05.2017.

#### b) Use of estimates

The preparation of financial statements in conformity with IND AS requires management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

An entity's estimates in accordance with Ind AS at the date of transition to Ins AS shall be consistent with estimates made for the same date in accordance with previous GAAP. Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

#### c) Financial Assets and Liabilities

##### Financial Assets

Initial measurement is done at fair value (transaction cost is adjusted), which generally matches the transaction value of the receivable or loan. After initial measurement such financial assets are subsequently measured at amortised cost using the effective interest rate method. Cash and cash equivalents consists primarily of bank balances. For carrying amount please refer note no-6.

##### Financial Liabilities

Financial liabilities which are non-derivatives are initially measured at fair value (transaction cost is adjusted) which normally Corresponds to the amount received. Subsequent measurement is carried out at amortised cost using the effective interest rate method. These consist of trade payables and deposit received against development agreement. For carrying amount Please refer note no -9 &10.



# PYRITE BUILDERS & CONSTRUCTIONS PVT. LTD.

## Summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2017

### d) Financial Risks and Capital

In the course of its business of real estate development, the company is exposed to a number of financial risks: credit risk, liquidity risk and market risk.

Credit risk refers to a risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, non-current financial assets, derivative assets, trade and other receivables. The company does not have any of the above assets and hence it is not exposed to any credit risk. In respect of cash and cash equivalents, the said amount is in current account with Scheduled Bank where chances of default are minimum. The maximum exposure to credit risk is equal to the carrying amount of the company's financial Assets.

Liquidity risk is the risk that the company may encounter difficulties in meeting its obligation associated with financial liabilities that are settled with delivering cash or other financial assets. The company does not foresee any liquidity problems as it has adequate inventories to back its financial liabilities.

Market risk refers to risk from movement in market prices that affects its assets and liabilities. The company is exposed to only changes in market price of inventory against which it has a development agreement in place on cost plus basis and as such there is no exposure to market risk.

### e) Capital Risk Management

The company's capital management is driven by the impact on shareholders of the level of capital employed. It is the policy of the company to maintain a sound capital base to support the development of business. The company does not have any borrowings and the entire operations are funded through equity.

### f) Revenue recognition

Revenue is recognized on accrual basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably

### g) Inventories

Inventory is valued at lower of cost or net realizable value as per IND AS 2.

### h) Taxes

Provision for tax for the year comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one year, and are capable of reversal in one or more subsequent year. Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### i) Earning per share

Earnings per share is calculated by dividing net profit/(loss) for the year/ previous year attributable to equity shareholders by weighted average no. of equity shares outstanding during the year/ previous year as per IND AS 33 on "Earning per share".



PYRITE BUILDERS & CONSTRUCTIONS PRIVATE LIMITED

Summary of significant accounting policies and explanatory information for the year ended 31 March 2017

	As at 31 March 2017 (₹)	As at 31 Mar 2016 (₹)	As at 1st April 2015 (₹)
<b>3. DEFERRED TAX ASSETS (NET)</b>			
Deferred tax asset arising on account of :			
Business Losses	92,021	73,310	45,074
	<u>92,021</u>	<u>73,310</u>	<u>45,074</u>
<b>4. OTHER NON-CURRENT ASSETS</b>			
MAT credit entitlement	81,871	81,871	-
	<u>81,871</u>	<u>81,871</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
<b>5. INVENTORIES</b>			
Land at cost	248,357,202	248,357,202	248,277,861
	<u>248,357,202</u>	<u>248,357,202</u>	<u>248,277,861</u>
<b>FINANCIAL ASSETS</b>			
<b>6. Cash &amp; Cash Equivalents</b>			
Balances with banks			
- in current account	2,033,173	2,179,973	2,050,304
	<u>2,033,173</u>	<u>2,179,973</u>	<u>2,050,304</u>
<b>FINANCIAL ASSETS</b>			
<b>7. CURRENT TAX ASSESTE (NET)</b>			
Prepaid Tax (net of Provisions)	-	-	369,908
	<u>-</u>	<u>-</u>	<u>369,908</u>
<b>8. EQUITY SHARE CAPITAL</b>			
(A) Authorised, issued, subscribed and paid-up share capital and par value per share			
Authorised			
20,000 (previous year - 20,000) equity shares of 10 each fully paid	200,000	200,000	200,000
	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up share capital			
10,000 (previous year - 10,000) equity shares of 10 each fully paid	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

(B) Reconciliation of numbers of equity shares outstanding at the beginning and at the end of the year/previous year

Equity shares	As at 31 March 2017		As at 31 Mar 2016		As at 1st April 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year/previous year	10,000	100,000	10,000	100,000	10,000	100,000
At the end of the year/previous year	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

(C) The Company has only one class of equity share having par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.

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

Equity shares	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
DLF Universal Ltd (Holding company upto 24/11/2016)	-	-	10,000	100%	10,000	100%
DLF Home Developers Limited(holding company w.e.f 25/11/2016)*	10,000	100%	-	-	-	-

(E) Shareholding in the Company of the Holding Company, Ultimate Holding Company and their subsidiaries/ associates in aggregate:

Class of shares	Shareholder	Relation	As at 31 March	As at 31 March 2016	As at 1 April 2015
Equity Shares of face value of Rs.10 each	DLF Universal Ltd(Holding company upto 24/11/2016)	Holding Company	-	10,000	10,000
Equity Shares of face value of Rs.10 each	DLF Home Developers Limited(Holding company w.e.f 25/11/2016)*	Holding Company	10,000	-	-

\* Note - Pursuant to sanction of Scheme of arrangement involving amalgamation of four companies and demerger of real estate undertaking of DLF Universal Limited with DLF Home Developers Limited vide Order dated 11.11.2016 of the Hon'ble High Court of Delhi at New Delhi and Order dated 29.03.2016 of Punjab & Haryana at Chandigarh filed with ROC on 25th November, 2016. The Company has become Wholly-owned Subsidiary of DLF Home Developers Limited.



Handwritten signature or mark.

PYRITE BUILDERS & CONSTRUCTIONS PRIVATE LIMITED  
 Summary of significant accounting policies and explanatory information for the year ended 31 March 2017

	As at 31 March 2017	As at 31 Mar 2016	As at 1st April 2015
<b>CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
<b>9. TRADE PAYABLES</b>			
Audit fees payable / expenses payables / other trade payables	24,000	48,175	5,618
Amount payable for Land cost	205,679,027	205,679,027	205,691,527
Advance received from related party	3,187,814	3,187,814	3,187,814
	<u>208,890,841</u>	<u>208,915,016</u>	<u>208,884,959</u>
<b>10. OTHER FINANCIAL LIABILITIES</b>			
Deposit received under development agreement with related party	41,865,000	41,865,000	41,865,000
	<u>41,865,000</u>	<u>41,865,000</u>	<u>41,865,000</u>
<b>11. OTHER CURRENT LIABILITIES</b>			
Other liabilities	-	2,510	5,000
	<u>-</u>	<u>2,510</u>	<u>5,000</u>

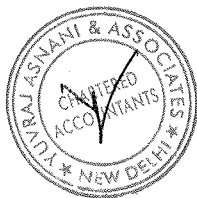


(This space has been intentionally left blank)

**PYRITE BUILDERS & CONSTRUCTIONS PRIVATE LIMITED**

Summary of significant accounting policies and explanatory information for the year ended 31 March 2017

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>12. OTHER INCOME</b>		
Other Income	-	15,843
	<u>-</u>	<u>15,843</u>
<b>EXPENSE</b>		
<b>13. CHANGE IN INVENTORY</b>		
Opening Stock	248,356,724	248,277,861
Closing Stock	<u>248,357,202</u>	<u>248,356,724</u>
	<u>(478)</u>	<u>(78,863)</u>
<b>14. PURCHASE OF INVENTORY</b>		
Purchase of Land	478	78,863
	<u>478</u>	<u>78,863</u>
<b>15. OTHER EXPENSES</b>		
Rates and taxes	2,806	961
Legal and professional	92,002	96,351
Auditor's remuneration - Audit fees	22,000	17,000
Tax audit fee	-	5,000
Service tax	3,300	3,125
Miscellaneous expenses	7	-
	<u>120,115</u>	<u>122,437</u>
	-	-
<b>16. EARNING PER SHARE</b>		
Loss for the year attributable to equity shareholders	(101,404)	(78,358)
Weighted average of equity shares outstanding	10,000	10,000
Nominal value of equity share (₹)	10.00	10.00
Basic and diluted loss per equity share (₹)	(10.1)	(7.8)



(This space has been intentionally left blank)

**PYRITE BUILDERS & CONSTRUCTIONS PRIVATE LIMITED**  
Notes to the financial statement for the year ended March 31, 2017

**17 Related party disclosures**

**I Relationship:**

Information required to be disclosed under accounting standard on "Related Party Disclosures".

- a. During the year :  
DLF Home Developers Limited - Holding Company  
During the previous year:  
DLF Universal Limited up to 24.11.2016  
DLF Home Developers Limited\* w.e.f 25.11.2016

- b. Ultimate holding company at any time during the period/previous year :  
DLF Limited

There were following transactions during the year/ previous year carried out with related parties in the ordinary course of business. Balances of related parties provided below:

Description	Holding Company			Associates		
	31-Mar-2017	31-Mar-2016	1-Apr-2015	31-Mar-2017	31-Mar-2016	1-Apr-2015
<b>Transaction during the period</b>						
Administration expenses	-	-	56,180	-	-	-
Amount payable for land Cost (RBD)	-	-	-	-	-	3,100,000
Amount of Land Cost (DHDL)	-	-	2,107,814	-	-	-
<b>Balance at the end of the period/ year</b>						
Equity share capital	100,000	100,000	100,000	-	-	-
Amount payable for land cost ( DHDL)	3,187,814	3,187,814	3,187,814	41,865,000	41,865,000	41,865,000

\* Note - Pursuant to sanction of Scheme of arrangement involving amalgamation of four companies and demerger of real estate undertaking of DLF Universal Limited with DLF Home Developers Limited vide Order dated 11.11.2016 of the Hon'ble High Court of Delhi at New Delhi and Order dated 29.03.2016 of Punjab & Haryana at Chandigarh filed with ROC on 25th November, 2016. The Company has become Wholly-owned Subsidiary of DLF Home Developers Limited.

- 18 As per the information available with the Company, no transactions have been entered with suppliers as defined under The Micro, Small and Medium Enterprises Development Act, 2006. Therefore, no disclosures are made as required under the said Act.
- 19 The Company is engaged in the business of Real Estate, which as per Ind- AS 108 "Operating Segments" of Companies (Accounting Standard) Rules, 2006, is considered to be the only reportable business segment. The Company is operating only in India and there is no other significant geographical segment.
- 20 Figures of previous year have been regrouped / recasted wherever considered necessary to make them comparable with that of current year.
- 21 Detail of Specified Bank Notes (SBN) held and transacted during the period from 08<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 as provided in Table below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

- 22 Financial figures has been rounded off to the nearest rupee.

For Yuvraj Asnani & Associates  
Chartered Accountants  
Registration No.: 007550


Yuvraj Asnani  
(Proprietor)  
Membership No.: 086938

Place : Gurgaon

Date : 8/5/17



For and on behalf of the Board of Directors

  
(Sanjay Bhardwaj)  
Director  
DIN-06487560

  
(Satish Kr Tyagi)  
Director  
DIN- 00003431

8/