

**Independent Auditor's Report**

**To the Members of Ariadne Builders & Developers Private Limited**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Ariadne Builders & Developers Private Limited** ('the Company'), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the operating effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company



as at March 31, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

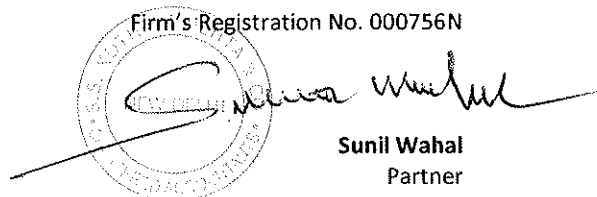
**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;
  - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) Clause (i) of section 143(3) , with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, is not applicable pursuant to notification G.S.R 583 ( E) dated June 13, 2017, hence not commented upon; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

**For S. S. Kothari Mehta & Co.**

Chartered Accountants

Firm's Registration No. 000756N



**Sunil Wahal**  
Partner  
Membership No. 087294

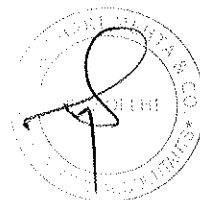
Place: New Delhi

Date: May 8<sup>th</sup>, 2018

**Annexure A to the Independent Auditor's Report to the Members of Ariadne Builders & Developers Private Limited dated May 8<sup>th</sup>, 2018.**

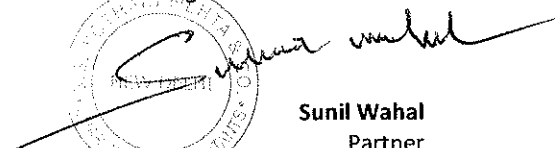
**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.**

- i. The Company does not have any fixed assets. Hence, clause 3(i)(a) to (c) of the Order is not applicable to the Company.
- ii. The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, clauses 3(iii) (a) to (c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act, and the Rules framed thereunder.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii.
  - a. According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.
  - b. We are informed that there are no dues in respect of Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty and Service Tax which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and records of the Company examined by us, the Company has not taken loans from financial institutions or banks. The Company does not have any debentures. Accordingly, clauses 3(viii) of the Order are not applicable.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans hence, reporting under clause (ix) of the Order is not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. In our opinion, and according to the information and explanations given to, the company has not paid any managerial remuneration. Hence, reporting under clause 3(xi) of the Order are not applicable and hence not commented upon.



- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian Accounting Standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv. According to the information and explanations given to us and on an overall examination of the books of account, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence not commented upon.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S. S. Kothari Mehta & Co.**  
Chartered Accountants  
Firm's Registration No. 000756N

  
**Sunil Wahal**  
Partner  
Membership No. 087294

Place: New Delhi  
Date: May 8<sup>th</sup>, 2018

**Ariadne Builders & Developers Private Limited**  
**Balance Sheet as at March 31, 2018**

(Amount in Lakhs)

Particulars	Note	As at March 31, 2018 Amount	As at March 31, 2017 Amount
<b>Assets</b>			
<b>Non-current assets</b>			
Other Non-current assets	5	0.71	3.41
<b>Total non current asset</b>		<b>0.71</b>	<b>3.41</b>
<b>Current assets</b>			
Inventories	6	4,384.56	4,384.42
<b>Financial assets</b>			
Cash and cash equivalents	7	3.83	1.27
Loans	8	-	280.37
<b>Total current asset</b>		<b>4,388.39</b>	<b>4,666.06</b>
<b>Total Assets</b>		<b>4,389.10</b>	<b>4,669.47</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	9	1.00	1.00
Other equity	10	11.22	12.14
<b>Total Equity</b>		<b>12.22</b>	<b>13.14</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	11	-	250.00
Other financial liabilities	12	4,376.50	4,405.16
Other current liabilities	13	0.38	1.17
<b>Total current liabilities</b>		<b>4,376.88</b>	<b>4,656.33</b>
<b>Total equity and liabilities</b>		<b>4,389.10</b>	<b>4,669.47</b>
Summary of significant accounting policies	4		

See accompanying notes to the financial statements.

The accompanying notes are an integral part of the financial statements

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

For and on behalf of  
**S.S. Kothari Mehta & Co.**  
Chartered Accountants  
FRN - 000756N

**Sunil Wahal**  
Partner  
Membership No. 087294



Place : New Delhi  
Date : 08.05.2018

For and on behalf of the Board of Directors  
**Ariadne Builders and Developers Private Limited**

**Vikas Krishan Sharma**  
Director  
DIN 03410194

**Krishan Kumar Sheera**  
Director  
DIN 06802349

**Ariadne Builders & Developers Private Limited**  
**Statement of Profit and Loss for the period ended March 31, 2018**

Particulars	Note	(Amount in Lakhs)	
		For the year ended March 31, 2018 Amount	For the year ended March 31, 2017 Amount
<b>Revenue</b>			
Revenue from operation	14	-	443.11
Other income	15	7.29	33.82
<b>Total Income</b>		<b>7.29</b>	<b>476.93</b>
<b>Expenses</b>			
Purchases of Inventory of land	16	0.14	-
(Increase)/Decrease in inventories of land	17	(0.14)	443.11
Finance cost	18	7.09	33.75
Other expenses	19	1.08	0.41
<b>Total expenses</b>		<b>8.17</b>	<b>477.27</b>
Profit/(loss) before tax		(0.88)	(0.34)
Tax expense			
Current tax		-	-
Earlier periods tax		0.04	(0.00)
<b>(Loss) for the year</b>		<b>(0.92)</b>	<b>(0.34)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss		-	-
<b>Total comprehensive income for the year</b>		<b>(0.92)</b>	<b>(0.34)</b>
<b>Loss per equity share in (₹)</b>	20		
Basic		(9.21)	(3.40)
Diluted		(9.21)	(3.40)
<b>Summary of significant accounting policies</b>	4		

The accompanying notes are an integral part of the financial statements

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

For and on behalf of

**S.S. Kothari Mehta & Co.**

Chartered Accountants

FRN - 000756N

**Sunil Wahal**

Partner

Membership No. 087294

Place : New Delhi

Date : 08.05.2018



For and on behalf of the Board of Directors

**Ariadne Builders and Developers Private Limited**

**Vikas Krishan Sharma**

Director

DIN 03410194

**Krishan Kumar Sheera**

Director

DIN 06802349

**Ariadne Builders & Developers Private Limited**  
**Cash Flow Statement for the year ended March 31, 2018**

(Amount in Lakhs)

	For the year ended March 31, 2018 Amount	For the year ended March 31, 2017 Amount
<b>A. Cash flow from operating activities</b>		
Net profit/(loss) before tax and prior period items	(0.88)	(0.34)
Add : Adjustment for non-cash & other items	-	-
Interest income	(7.29)	(33.82)
Interest paid on loan	7.09	33.75
<b>Operating profit before working capital changes</b>	<b>(1.08)</b>	<b>(0.41)</b>
<b>Add : Adjustment for working capital changes:</b>		
Increase/(Decrease) in current liabilities	(29.50)	(442.03)
(Increase)/ Decrease in current assets	280.23	443.11
<b>Cash generated from operations</b>	<b>249.65</b>	<b>0.67</b>
Less : Direct taxes paid (net of refunds)	2.70	(1.71)
<b>Net cash flow from operating activities</b>	<b>252.36</b>	<b>(1.04)</b>
<b>B. Cash flow from investing activities</b>		
Interest received	7.29	19.97
	<b>7.29</b>	<b>19.97</b>
<b>C. Cash flow from financing activities</b>		
Repayment of short term borrowings *	(250.00)	-
Interest paid	(7.09)	(19.89)
	<b>(257.09)</b>	<b>(19.89)</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>2.56</b>	<b>(0.97)</b>
Opening cash and cash equivalents	1.27	2.24
Closing cash and cash equivalents	3.83	1.27
	<b>2.56</b>	<b>(0.97)</b>
<b>Cash and cash equivalents includes (refer note 7):-</b>		
Balances with banks	3.83	1.27
	<b>3.83</b>	<b>1.27</b>

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

For and on behalf of  
**S.S. Kothari Mehta & Co.**  
Chartered Accountants  
FRN - 000756N

**Sunil Wahal**  
Partner  
Membership No. 087294



For and on behalf of the Board of Directors  
**Ariadne Builders and Developers Private Limited**

**Vikas Krishan Sharma**  
Director  
DIN 03410194

**Krishan Kumar Sheera**  
Director  
DIN 06802349

Place : New Delhi  
Date : 08.05.2018

**Ariadne Builders & Developers Private Limited**  
**Statement of Changes in Equity as at March 31, 2018**

**A Equity share capital** (Amount in Lakhs)

Particulars	Balance as at April 01, 2016	Issued during the year	Balance as at March 31, 2017	Issued during the year	Balance as at March 31, 2018
	Amount		Amount		Amount
Equity share capital	1.00	-	1.00	-	1.00

**B Other equity** (Amount in Lakhs)

Particulars	Reserves and surplus	Other comprehensive income	Total equity
	Retained earnings		
	Amount	Amount	Amount
Balance as at April 1, 2016	12.48	-	12.48
Net profit/ (loss) for the year	(0.34)	-	(0.34)
<b>Balance as at March 31, 2017</b>	<b>12.14</b>	<b>-</b>	<b>12.14</b>
Net profit/ (loss) for the year	(0.92)	-	(0.92)
<b>Balance as at March 31, 2018</b>	<b>11.22</b>	<b>-</b>	<b>11.22</b>

For and on behalf of  
**S.S. Kothari Mehta & Co.**  
 Chartered Accountants  
 FRN - 000756N

**Smit Wahaal**  
 Partner  
 Membership No. 087294



For and on behalf of the Board of Directors  
**Ariadne Builders and Developers Private Limited**

**Vikram**  
**Vikas Krishan Sharma**  
 Director  
 DIN 03410194

**Krishan Kumar Sheera**  
 Director  
 DIN 06802349

Place : New Delhi

Date : 8-5-18

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#### 1. Nature of principal activities

Ariadne Builders & Developers Private Limited is a Company incorporated on 17th January, 2007, under the provisions of the erstwhile Companies Act, 1956 (the 'Act') domiciled in India. The object of company is to undertake real estate activities. The registered office address of the Company is 1-E, Jhandewalan Extension Naaz Cinema Complex New Delhi - 110055

#### 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with and comply in all material aspects with the Indian Accounting Standards (IndAS) as notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 as amended. The Company has uniformly applied the accounting policies during the years presented.

The financial statements for the year ended March 31, 2018 were authorized and approved for issue by the Board of Directors on 8th May, 2018.

#### 3. Recent accounting pronouncements

- 3.1 In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers', amendments to Ind AS 107, 'Financial Instrument Disclosures' and Ind AS 109, 'Financial Instruments'. The amendments are applicable to the Company from 1 April 2018.

Ind AS 115 "Revenue from Contracts with Customers"

The new standard for revenue recognition will overhaul the existing revenue recognition standards Ind AS 18 - Revenue and Ind AS 11 - Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- i. Identification of the contracts with the customer
  - ii. Identification of the performance obligations in the contract
  - iii. Determination of the transaction price
  - iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
  - v. Recognition of revenue when performance obligation is satisfied
- 3.2 Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

#### 4. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

##### 4.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

##### 4.2 Revenue recognition

###### *Revenue from real estate projects*

Revenue from constructed properties under development is recognized in accordance with the "Guidance Note Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" (the "Guidance Note") issued by Institute of Chartered Accountants of India ("ICAI"). As per this Guidance Note, the revenue have been recognized on percentage of completion method and on the percentage of actual project costs incurred thereon to total estimated project cost, provided all of the following conditions are met at the reporting date.

- Required critical approvals necessary for commencement of the project have been obtained.
- At least 25% of estimated construction and development costs (excluding land cost) has been incurred,
- At least 25% of the saleable project area is secured by the Agreements to sell/application forms (containing salient terms of the agreement to sell); and
- At least 10% of the total revenue as per agreement to sell is realized in respect of these agreements.

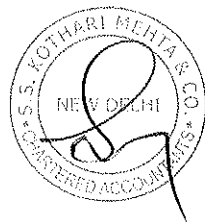
The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

###### *Interest Income*

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

##### 4.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.



#### 4.4 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

#### 4.5 Financial Instruments

##### Financial assets

###### *Initial recognition and measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

###### *Subsequent measurement*

Financial instruments are measured subsequently at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

###### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

###### *Impairment of financial assets*

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

##### Financial liabilities

###### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

###### *Subsequent measurement*

These liabilities include borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

###### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

###### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 4.6 Inventories

Inventory of the Company comprises of land, development rights for land, constructed properties and construction work in progress, and is valued at cost and net realizable value, whichever is lower.



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#### 4.7 Income taxes

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is recognised in respect of temporary differences carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside the statement of profit and loss (either in Other Comprehensive Income or in equity).

Minimum alternate tax ("MAT") credit entitlement/unused tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which such credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as unused tax credit. The Company reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

#### 4.8 Cash and cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flow, cash at bank and in hand, and demand deposits with banks/corporations with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value.

#### 4.9 Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

#### 4.10 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 attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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 shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### 4.11 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

##### *Significant management judgements*

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Evaluation of indicators for impairment of assets** -- The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances** -- At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Provisions** -- At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions in respect of the outstanding pending litigations. However the actual future outcome may be different from this judgement.

##### *Significant estimates*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

**Recognition of deferred tax assets-** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilized.



	As at March 31, 2018 Amount	(Amount in Lakhs) As at March 31, 2017 Amount
<b>5 Other non current assets</b>		
Income tax paid (net of income tax provision)	0.71	3.41
	<u>0.71</u>	<u>3.41</u>
<b>6 Inventories</b>		
Land (at cost)	4384.56	4384.42
	<u>4384.56</u>	<u>4384.42</u>

a) The Company has entered into development agreement in respect of land presently owned/ to be acquired by the Company, with certain developers. The developer is required to obtain the required approvals/licences from Appropriate Authority for the same. In terms of the said Agreement, in case the required approvals/licences are not given by the Appropriate Authority, the Developer has the right but not the obligation to purchase the land presently owned/ to be acquired by the Company.

b (i) Lands admeasuring 1.49 acres amounting to Rs. 10,91,79,084/- located in village Ghata, District Gurgaon had been compulsorily acquired by the Government of Haryana, against that the company has not picked any compensation. Reference petition filed by company has been allowed and now we have filed RFA in Honorable High Court of Haryana & Punjab at Chandigarh for further enhancement

b (ii) Further land admeasuring 0.61 acres located in village Ghata, District Gurgaon had been compulsorily acquired by the Government of Haryana. The company had filed one reference petition before Court Gurgaon for further enhancement.

<b>7 Cash and Cash Equivalents</b>		
Balance with bank	3.83	1.27
	<u>3.83</u>	<u>1.27</u>

\* Changes in liabilities arising from financing activities

Particulars	1-Apr-17	Other
	Amount in Lakhs	Amount in Lakhs
Current borrowings (excluding items listed below)	-	-
Interest paid	-	-
<b>Total liabilities from financing activities</b>	-	-

Particulars	1-Apr-16	Other
	Amount in Lakhs	Amount in Lakhs
Current borrowings (excluding items listed below)	250.00	-
Interest paid	-	-
<b>Total liabilities from financing activities</b>	250.00	-

<b>8 Loans</b>		
(Unsecured considered good)	-	280.37
Loan to related party @ 13.50% p.a. (repayable on demand)	-	280.37
	<u>-</u>	<u>280.37</u>



	For the year ended March 31,2018	(Amount in Lakhs) For the year ended March 31,2017
	Amount	Amount
<b>9 Equity Share Capital</b>		
<b>Equity share capital</b>		
Authorised, Issued, Subscribed and paid-up share capital and par value per share		
<b>Authorised Share Capital</b>		
15,000 (previous year 15,000) equity shares of Rs.10/- each	1.50	1.50
<b>Issued, Subscribed and Paidup Share Capital</b>		
10,000 (previous year 10,000 equity shares) equity shares of Rs.10/- each fully paid up	1.00	1.00
	<u>1.00</u>	<u>1.00</u>

**(B) Reconciliation of number of equity shares outstanding at the beginning of the year and at the end of year:**

	No. of shares	No. of shares
<b>Equity shares</b>		
At the beginning of the year	10,000	10,000
Add : Change during the year	-	-
<b>At the end of the period year</b>	<u>10,000</u>	<u>10,000</u>

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

**(D) Shareholdings in the company of the holding company and ultimate holding co and their subsidiaries / associates in aggregate:**

Class of shares	Share holder	Relation	For the year ended March 31,2018	For the year ended March 31,2017
Equity shares of Rs.10 each	DLF Utilities Limited	Holding Company	10,000	10,000

**(E) Shares in the company held by each shareholder holding more than 5% shares**

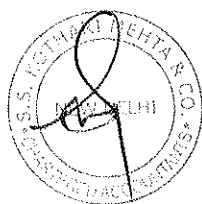
Name of the shareholder	Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
DLF Utilities Limited	10,000	100	10,000	100



SD

	(Amount in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
	<u>Amount</u>	<u>Amount</u>
<b>10 Other equity</b>		
Retained Earnings		
<b>Opening balance</b>	12.14	12.48
Loss for the year	(0.92)	(0.34)
<b>Closing balance</b>	<u>11.22</u>	<u>12.14</u>
<b>11 Borrowings</b>		
<b>Unsecured, Repayable on demand</b>		
From related party	-	250.00
	<u>-</u>	<u>250.00</u>
<b>12 Other financial liabilities</b>		
Interest accrued but not due on borrowings	-	30.37
Deposit received under Development Agreement with related party	4375.65	4374.66
Other	0.85	0.13
	<u>4,376.50</u>	<u>4,405.16</u>
<b>13 Other Current Liabilities</b>		
Statutory dues payable	0.08	0.87
Amount payable	0.30	0.30
	<u>0.38</u>	<u>1.17</u>

\*\*Based on the information available with the company, there are no dues outstanding in respect of Micro, Small and Medium enterprises at the balance sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the company.

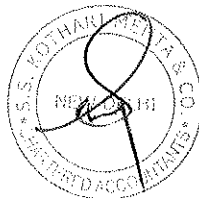


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**Ariadne Builders & Developers Private Limited**

Notes to the Financial Statement for the year ended March 31, 2018

	(Amount in Lakhs)	
	For the year ended March 31,2018 Amount	For the year ended March 31,2017 Amount
<b>14 Revenue from operation</b>		
Compensation received	-	443.11
	<u>-</u>	<u>443.11</u>
<b>15 Other Income</b>		
Interest on loan given	7.09	33.75
Interest received on refund of income tax	0.20	0.07
	<u>7.29</u>	<u>33.82</u>
<b>16 Purchase of inventory of land</b>		
Land purchased/cost incurred during the year/ previous year	0.14	-
	<u>0.14</u>	<u>-</u>
<b>17 (Increase)/Decrease in Inventories of land</b>		
Opening stock	4384.42	4827.53
Less: closing stock	4384.56	4384.42
	<u>(0.14)</u>	<u>443.11</u>
<b>18 Finance Cost</b>		
Interest on loan	7.09	33.75
	<u>7.09</u>	<u>33.75</u>
<b>19 Other Expenses</b>		
Auditors remuneration		
Statutory audit fees	0.84	0.33
Tax audit fees	0.05	0.00
GST/ Service tax	0.17	0.05
Fee & Taxes	0.02	0.03
Bank charges	0.00	0.00
Miscellaneous expenses	0.00	0.00
	<u>1.08</u>	<u>0.41</u>
<b>20 Earning per share in (₹)</b>		
Net Profit/(Loss) for the period/ year attributable to equity shareholders	(0.92)	(0.34)
Weighted average number of equity shares	10,000	10,000
Basic and diluted earnings per share of Rs. 10/- each	(9.21)	(3.40)



*(Signature)*

21 Related party disclosures

A) Relationship:

Information required to be disclosed under IND AS 24 on "Related Party Disclosures".

a. Holding company at any time during the year/ previous year :

DLF Utilities Limited

b. Ultimate Holding company at any time during the year/ previous year:

DLF Limited upto 11.03.2018  
Rajdhani Investments and Agencies Pvt. Ltd. w.e.f. 12.03.2018

c. The following are other related entities at any time during the year/ previous year with whom there were transactions during the year/ previous year.

DLF Commercial Projects Corporation  
DLF Home Developers Limited  
DLF Property Developers Limited

B) During the year following transactions were carried out with related parties in the ordinary course of business.

(Amount in Lakhs)

Description	Holding Company		Subsidiary, associates and other related entities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	March 31, 2017
	Amount	Amount	Amount	Amount
<b>Earnest money received against agreement to purchase of land</b>				
DLF Commercial Projects Corporation	-	-	1.00	0.02
<b>Earnest money refund/ debited</b>				
DLF Commercial Projects Corporation	-	-	-	2,382.47
<b>Payment of short term borrowings</b>				
DLF Home Developers Limited	-	-	250.00	-
<b>Refund of short term loan given</b>				
DLF Property Developers Limited	-	-	250.00	-
<b>Interest on loan given</b>				
DLF Property Developers Limited	-	-	7.09	33.75
<b>Interest on loan taken</b>				
DLF Home Developers Limited	-	-	7.09	33.75

C) Balance at the end of the year/ previous year

(Amount in Lakhs)

Description	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	March 31, 2017
	Amount	Amount	Amount	Amount
<b>Share capital account</b>				
DLF Utilities Limited	1.00	1.00	-	-
<b>Amount Payable</b>				
DLF Commercial Projects Corporation	-	-	4,375.66	4,374.66
<b>Short term borrowings</b>				
DLF Home Developers Limited	-	-	-	250.00
<b>Short term loan given</b>				
DLF Property Developers Limited	-	-	-	250.00
<b>Interest payable (net of TDS)</b>				
DLF Home Developers Limited	-	-	-	30.37
<b>Interest receivable (net of TDS)</b>				
DLF Property Developers Limited	-	-	-	30.37

22 Capital and other commitments

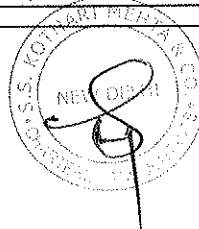
(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil
Other Commitments	Nil	Nil

23 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
Total	Nil	Nil



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24 Current Financial assets comprising Cash and Cash Equivalents and current financial liabilities comprising Trade payables, Other financial liabilities are stated at their nominal value. -Financial instruments has been summarized in Note-31

25 **Financial Risk & 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.

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 serious liquidity problems as it has adequate financial statements from the Holding/Ultimate Holding Company.

31-Mar-18	Less than 1 year	1-2 year	2-3 year	More than 3 years
Current financial liabilities				
Borrowings	-			
Other financial liabilities	4,376.50			

31-Mar-17	Less than 1 year	1-2 year	2-3 year	More than 3 years
Current financial liabilities				
Borrowings	250.00			
Other financial liabilities	4,405.16			

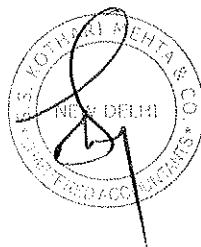
26 In the opinion of the Board of Directors current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provisions for all known liabilities have been made.

27 There are no foreign currency exposures outstanding as at the year end (previous year NIL).

28 No provision for tax for the year has been made in the accounts as there is no taxable income under the provisions of the Income-Tax Act 1961. The Company follows notified IND AS 12 – Income Taxes, as per section 133 of Companies Act, 2013 read with rules made thereunder. Accordingly, as per IND AS 12, the deferred tax asset have not been recognized in these financial statements as it is not probable that taxable income will arise in the foreseeable future.

29 The Company is engaged in the business of Real Estate, which as per IND AS 108 on "Segment reporting" is considered to be the only reportable business segment. The Company is operating only in India and there is no other significant geographical segment.

30 All loan given as disclosed in respective notes are provided for business purposes.



### 31 Capital Management

For the purpose of the Company's capital management, equity includes issued equity capital and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars	As at March	As at March 31,
	31, 2018	2017
	Amount	Amount
Debt	-	250.00
Cash & bank balances	3.83	1.27
Net Debt	(3.83)	248.73
Total Equity	12.22	13.14

### 32 Financial Instruments

#### Financial Instruments by Category:

The carrying value and fair value of financial instruments as of March 31, 2018 were as follows:

(Amount in Lakhs)

Particulars	Total Carrying Value	Amortised Cost	Total Fair value	Fair Value		
				Level 1	Level 2	Level 3
<b>Assets :-</b>						
<b>Fair value at amortise cost</b>						
- Cash & Cash Equivalents (Refer Note no.7)	3.83	3.83	3.83	-	-	-
- Loans (Refer Note no.8)	-	-	-	-	-	-
<b>Total</b>	<b>3.83</b>	<b>3.83</b>	<b>3.83</b>	-	-	-
<b>Liabilities :-</b>						
<b>Fair value at amortise cost</b>						
- Unsecured Loan (Refer Note no.11)	-	-	-	-	-	-
- Other Financial Liabilities (Refer Note no.12)	4,376.50	4,376.50	4,376.50	-	-	-
- Other Current Liabilities (Refer Note no.13)	0.38	0.38	0.38	-	-	-
<b>Total</b>	<b>4,376.88</b>	<b>4,376.88</b>	<b>4,376.88</b>	-	-	-

The carrying value and fair value of financial instruments as of 31 March, 2017 were as follows:

Particulars	Total Carrying Value	Amortised Cost	Total Fair value	Fair Value		
				Level 1	Level 2	Level 3
<b>Assets :-</b>						
<b>Fair value at amortise cost</b>						
- Cash & Cash Equivalents (Refer Note no.7)	1.27	1.27	1.27	-	-	-
- Loans (Refer Note no.8)	280.37	280.37	280.37	-	-	-
<b>Total</b>	<b>281.64</b>	<b>281.64</b>	<b>281.64</b>	-	-	-
<b>Liabilities :-</b>						
<b>Fair value at amortise cost</b>						
- Unsecured Loan (Refer Note no.11)	250.00	250.00	250.00	-	-	-
- Other Financial Liabilities (Refer Note no.12)	4,405.16	4,405.16	4,405.16	-	-	-
- Other Current Liabilities (Refer Note no.13)	1.17	1.17	1.17	-	-	-
<b>Total</b>	<b>4,656.33</b>	<b>4,656.33</b>	<b>4,656.33</b>	-	-	-

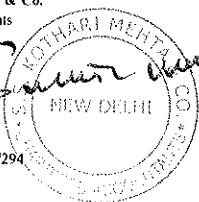
33 Figures of previous years have been regrouped/reclassified where ever considered necessary to make them comparable with that of current period and to comply with the requirement of IND-AS.

34 The Financial Statements of the Company for the Year ended March 31, 2017 were audited by another auditor Devindhi Arya & Associates.

35 Figures have been rounded to nearest in Lakhs.

For and on behalf of  
S.S. Kothari Mehra & Co.  
Chartered Accountants  
FRN - 000756N

Sunil Wahal  
Partner  
Membership No. 087294



For and on behalf of Board of Directors  
Ariadne Builders and Developers Private Limited

Vikas Krishan Sharma  
Director  
DIN 03410194

Krishan Kumar Sheera  
Director  
DIN 06802349

Place : New Delhi  
Date : 08.05.2018