

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
PUNJAB PROPERTIES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PUNJAB PROPERTIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and 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 Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

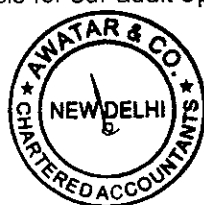
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's 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.



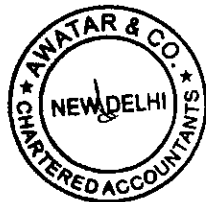
## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with the notes thereon and subject to Plots of leasehold land, pending execution of lease deed in favour of the Company and in respect of one of which an amount of Rs. 14,530/- has been retained as part of the current assets and physical possession of the other parted with by the Company under the agreement with another party (Note 2.2) precise adjustments not having been ascertained by the Company as at 31-3-2017 (previous year – same position), 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows 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 sub-section (11) of section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in paragraphs 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 appears from our examination of those books
  - c) The Balance Sheet, the 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 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 representations received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the Internal Financial Controls over the financial reporting of the company and the operating effectiveness of such control, refer to our separate report in **Annexure-B**.



Contd. .... 3.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of 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) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) The Company did not have any holdings or dealings in specified Bank notes during the period from November 08, 2016 to December 30, 2016. (Refer Note no. 28)



For **AWATAR & CO.**  
Chartered Accountants  
Firm Registration No. 000726N

*Sanjay Agrawal*

**Sanjay Agrawal**  
Partner  
Membership No. : 087786

Place : New Delhi  
Date : 15<sup>th</sup> May, 2017

## ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts of Punjab Properties Limited for the year ended 31<sup>st</sup> March, 2017)

- i) In respect of its fixed assets :
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed asset.
  - b) The fixed asset has been physically verified by the management during the year at reasonable intervals. No material discrepancies were noticed on such physical verification.
- ii) In respect of inventories, the clause is not applicable since the company does not have any inventory.
- iii) In respect of loans, secured or unsecured, granted or taken by the Company, to or from Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, according to the information and explanations given to us the company has not granted any such loan.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, wherever applicable.
- vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii)
  - a) According to the information and explanations given to us and according to the records produced before us for verification, the Company is generally regular in depositing, with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, VAT and Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of disputes.
- viii) The company does not have any dues to financial institution or bank or debenture holders.
- ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the financial year and has not done any initial public offer or further public offer (including debt instrument) and hence Clause-3(ix) is not applicable.
- x) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.
- xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration under section 197 read with the Schedule V to the Companies Act 2013 and hence Clause 3 (xi) is not applicable to the Company.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence Clause 3 (xii) is not applicable to the Company.



- xiii) As explained to us and as per the records of the company, in our opinion there are no transactions with the related parties during the year.
- xiv) According to the records of the company, it has not made preferential allotment of shares during the year under report, hence clause 3(xiv) is not applicable to the Company.
- xv) During the year, the Company has not entered into any non-cash transaction with Director or person connected with him and Clause 3 (xv) is not applicable to the Company.
- xvi) The Company is registered under section 45-1A of the Reserve Bank of India Act, 1934. However, the company has made an application to the Reserve Bank of India for cancellation and transfer of its registration consequent to demerger of its investment business approved by the order of the Hon'ble Delhi High Court dated 01-12-2006.

For **AWATAR & CO.**

Chartered Accountants

Firm Registration No. 000726N



*Sanjay Agrawal*

**Sanjay Agrawal**

Partner

Membership No. : 087786

Place : New Delhi

Date : 15<sup>th</sup> May, 2017

## ANNEXURE-B

### **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PUNJAB PROPERTIES LIMITED**

#### **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 **Punjab Properties Limited** ("the Company") as of March 31, 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 Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to Obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for my /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 process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 March 31, 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 **AWATAR & CO.**  
Chartered Accountants  
Firm Registration No. 000726N

*Sanjay Agrawal*

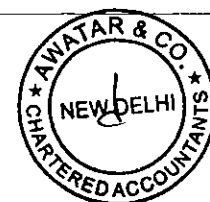
**Sanjay Agrawal**  
Partner

Membership No. : 087786

Place : New Delhi  
Date : 15<sup>th</sup> May, 2017

We have examined the books of accounts and other records of PUNJAB PROPERTIES LIMITED for the Financial Year ending March 31, 2017. On the basis of the information submitted to us, we certify the following :

| S.No. | Particulars  | Details                         |
|-------|--|---------------------------------|
| 1.    | Name of the company  | PUNJAB PROPERTIES LIMITED       |
| 2.    | Certificate of Registration No.  | 14.00336 dated 26-03-1998       |
| 3.    | Registered Office Address  | 10, DARYAGANJ, NEW DELHI-110002 |
| 4.    | Corporate Office Address   | 10, DARYAGANJ, NEW DELHI-110002 |
| 5.    | The company has been classified by RBI as :<br>(Investment Company/Loan Company / AFC / NBFC-MFI/ NBFC- Factor/ IFC/ IDF- NBFC)  | INVESTMENT COMPANY              |
| 6.    | Net Owned Fund (in Rs. Crore)<br>(Calculation of the same is given in the Annex)   | Rs. 0.46 crore                  |
| 7.    | Total Assets (in Rs. Crore)  | Rs. 0.63 crore                  |
| 8.    | Asset-Income pattern:<br>(in terms of RBI Press Release 1998-99/1269 dated April 8, 1999)  |                                 |
|       | a) % of Financial Assets to Total Assets   | 69.63%                          |
|       | b) % of Financial Income to Gross Income<br>(NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)  | 0.00%                           |
| 9.    | Whether the company was holding any Public Deposits, as on March 31, 2017?<br>If Yes, the amount in Rs. Crore  | No                              |
| 10.   | Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund?<br>(in terms of Sec 45-IC of the RBI Act, 1934).   | Yes                             |
| 11.   | Has the company received any FDI?<br>If Yes, did the company comply with the minimum capitalization norms for the FDI?   | No                              |
| 12.   | If the company is classified as an NBFC-Factor;  | NA                              |
|       | a) % of Factoring Assets to Total Assets   |                                 |
|       | b) % of Factoring Income to Gross Income   |                                 |
| 13.   | If the company is classified as an NBFC-MFI;<br>% of Qualifying Assets to Net Assets<br>(refer to <u>Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011</u> )                         | NA                              |
| 14.   | If the company is classified as an AFC;  | NA                              |
|       | a) % of Advances given for creation of physical/real assets supporting economic activity to Total Assets   |                                 |
|       | b) % of income generated out of these assets to Total Income   |                                 |
| 15.   | If the company is classified as an NBFC-IFC<br>% of Infrastructure Loans to Total Assets   | NA                              |
| 16.   | Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI?<br>(please refer to Master Directions issued by DNBR) | No                              |
|       | i) Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank)   |                                 |





|  |  |  |
|--|--|--|
|  | Directions ; and   |  |
|  | ii) Master Direction - Non-Banking Financial Company - Systemically important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions) |  |

In terms of Chapter II of the Master Direction- Non Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016, a separate report to the Board of Directors of the company has been prepared.

We have read and understood Chapter III of the Master Direction- Non Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016.

For **AWATAR & CO.**  
Chartered Accountants

*Sanjay Agrawal*

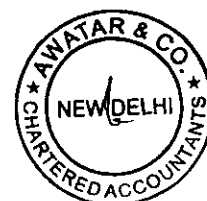
( Sanjay Agrawal )  
Partner  
M.No. 087786  
(FRN: 000726N)



Place : New Delhi  
Date : May 27, 2017

Annexure

| <b>CAPITAL FUNDS - TIER I</b>  | <b>(Amount in Crore)</b> |
|--|--------------------------|
| (1) Paid-up Equity Capital   | 0.050                    |
| (2) Preference shares to be compulsorily convertible into equity   | 0.000                    |
| (3) Free reserves  |                          |
| (a) General Reserves   | 0.052                    |
| (b) Share Premium  | 0.000                    |
| (c) Capital Reserves (representing surplus on sale of assets held in separate account)   | 0.000                    |
| (d) Debenture Redemption Reserve   | 0.000                    |
| (e) Capital Redemption Reserve   | 0.000                    |
| (f) Credit Balance in P & L Account  | 0.282                    |
| (g) Other free reserves (to be specified)  | 0.000                    |
| (4) Special Reserve  | 0.071                    |
| <b>Total</b>   | <b>0.456</b>             |
| (5) <b>Less :</b> (i) Accumulated balance of loss  | 0.000                    |
| (ii) Deferred Revenue Expenditure  | 0.000                    |
| (iii) Deferred Tax Assets (Net)  | 0.000                    |
| (iv) Other Intangible Assets   | 0.000                    |
| <b>Owned Fund</b>  | <b>0.456</b>             |
| (6) Investment in shares of :  |                          |
| (a) Subsidiaries   | 0.000                    |
| (b) Companies in the same Group  | 0.000                    |
| (c) Wholly Owned Subsidiaries  | 0.000                    |
| (d) Other non-banking financial companies  | 0.000                    |
| (7) The book value of debentures, bonds, outstanding loans and advances, bills purchased and discounted (including hire-purchase and lease finance) made to, and deposits with |                          |
| (a) Subsidiaries   | 0.000                    |
| (b) Companies in the same Group  | 0.000                    |
| (c) Wholly Owned Shares / Joint Ventures abroad  | 0.000                    |
| (d) Other Non-Banking Financial Companies  | 0.000                    |
| <b>(8) Total of 6 &amp; 7</b>  | <b>0.000</b>             |
| (9) Amount of Item in 8 in excess of 10% of item owned funds   | 0.000                    |
| (10) Net owned fund  | 0.456                    |



**PUNJAB PROPERTIES LTD.**

Regd. Office : 10,Daryaganj,New Delhi-110002

CIN : U45101DL1972PLC006172

**BALANCE SHEET AS AT 31ST MARCH, 2017**

(Amount in Rs. Lakhs)

| PARTICULARS  | Note No.       | AS AT<br>31ST MARCH, 2017 | AS AT<br>31ST MARCH, 2016 |
|--|----------------|---------------------------|---------------------------|
| <b>EQUITY AND LIABILITIES</b>  |                |                           |                           |
| <b>Shareholders' funds</b>   |                |                           |                           |
| Share Capital  | 3              | 5.00                      | 5.00                      |
| Reserves and surplus   | 4              | 40.58                     | 39.58                     |
| <b>Non-current liabilities</b>   |                |                           |                           |
| Long term provisions   | 5              | 17.15                     | 7.11                      |
| <b>Current liabilities</b>   |                |                           |                           |
| Other current liabilities  | 6              | 0.09                      | 0.08                      |
| <b>Total</b>   |                | <b>62.82</b>              | <b>51.77</b>              |
| <b>ASSETS</b>  |                |                           |                           |
| <b>Non- current assets</b>   |                |                           |                           |
| Tangible fixed assets  | 7              | 0.01                      | 0.01                      |
| Non-current investments  | 8              | 43.74                     | 41.74                     |
| Long term loans and advances   | 9              | 2.20                      | 2.19                      |
| <b>Current assets</b>  |                |                           |                           |
| Cash and bank balances   | 10             | 16.72                     | 7.68                      |
| Other current assets   | 11             | 0.15                      | 0.15                      |
| <b>Total</b>   |                | <b>62.82</b>              | <b>51.77</b>              |
| <b>Significant accounting policies &amp; notes to financial statements</b> | <b>1 to 14</b> |                           |                           |

The accompanying notes 1 to 14 are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

*Sanjay Agrawal*

**Sanjay Agrawal**

Partner

Membership No. 087786

Place: New Delhi

Date: 15th May, 2017



*Rakesh Dhamani*

**Rakesh Dhamani**

Director

DIN:07065199

*Mohit Jain*

**Mohit Jain**

Director

DIN :01315482

**PUNJAB PROPERTIES LTD.**

Regd. Office : 10, Daryaganj, New Delhi-110002

CIN : U45101DL1972PLC006172

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Amount in Rs. Lakhs)

| Particulars  | Note No.       | YEAR ENDED 31ST MARCH, 2017 | YEAR ENDED 31ST MARCH, 2016 |
|--|----------------|-----------------------------|-----------------------------|
| <b>Revenue</b>   |                |                             |                             |
| Other income   | 12             | 2.18                        | 10.54                       |
| <b>Total</b>   |                | <b>2.18</b>                 | <b>10.54</b>                |
| <b>Expenses</b>  |                |                             |                             |
| Employee benefit expenses  | 13             | 0.54                        | 0.62                        |
| Other expenses   | 14             | 0.21                        | 0.31                        |
| <b>Total</b>   |                | <b>0.75</b>                 | <b>0.93</b>                 |
| <b>Profit before tax</b>   |                | <b>1.43</b>                 | <b>9.61</b>                 |
| <b>Tax expense</b>   |                |                             |                             |
| Current tax  |                | 0.43                        | 1.83                        |
| <b>Profit after tax for the year</b>                                       |                | <b>1.00</b>                 | <b>7.78</b>                 |
| <b>Earnings per equity share</b>   |                |                             |                             |
| Equity shares of par value Rs.10/- each                                    |                |                             |                             |
| Basic (in Rs.)   |                | 2.01                        | 15.55                       |
| Diluted (in Rs.)   |                | 2.01                        | 15.55                       |
| <b>Significant accounting policies &amp; notes to financial statements</b> | <b>1 to 14</b> |                             |                             |

The accompanying notes 1 to 14 are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No.000726N

*Sanjay Agrawal*

**Sanjay Agrawal**

Partner

Membership No. 087786

Place: New Delhi

Date: 15th May, 2017



*Rakesh Dhamani*

**Rakesh Dhamani**

Director

DIN:07065199

*Mohit Jain*

**Mohit Jain**

Director

DIN :01315482

PUNJAB PROPERTIES LTD.

Regd. Office : 10, Daryaganj, New Delhi-110002

CIN : U45101DL1972PLC006172

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs. Lakhs)

| Particulars   | 31st MARCH, 2017 | 31st MARCH, 2016 |
|---|------------------|------------------|
| <b>A Cash flow from operating activities</b>                                    |                  |                  |
| Profit before tax   | 1.43             | 9.61             |
| <b>Adjustment for:</b>  |                  |                  |
| (Profit)/loss on sale of non current investments                                | -                | -9.45            |
| <b>Operating profit/(-) loss before working capital changes</b>                 | <b>1.43</b>      | <b>0.16</b>      |
| Adjustments for changes in working capital:                                     |                  |                  |
| Increase (-)/ decrease in long term loans and advances                          | -0.01            |                  |
| Increase/(-) decrease in other current liabilities                              | -                | -                |
| Increase/(-) decrease in long term provisions                                   | 10.05            | 3.03             |
| Cash Generated from /(-)used in operations                                      | 11.47            | 3.19             |
| Income taxes paid (net of refunds)  | -0.43            | -1.88            |
| <b>Net Cash from/ (-)used in operating activities ..... A</b>                   | <b>11.04</b>     | <b>1.31</b>      |
| <b>B Cash flow from investing activities</b>                                    |                  |                  |
| Proceeds from sale /redemption of non current investments                       | -                | 45.96            |
| Purchase of investments   | -2.00            | -43.69           |
| <b>Net cash from/(-) used in investing activities .....B</b>                    | <b>-2.00</b>     | <b>2.27</b>      |
| <b>C Cash flow from financing activities</b>                                    |                  |                  |
| <b>Net cash from/(-)used in financing activities .....C</b>                     | <b>-</b>         | <b>-</b>         |
| <b>Net increase/(-) decrease in cash and cash equivalents ..... (A+B+C)</b>     | <b>9.04</b>      | <b>3.57</b>      |
| Cash and cash equivalents at the beginning of the year (opening balance)        | 7.68             | 4.11             |
| <b>Total cash and cash equivalents at the end of the year (closing balance)</b> | <b>16.72</b>     | <b>7.68</b>      |
| <b>Components of cash and cash equivalents:</b>                                 |                  |                  |
| Cash balance on hand  | -                | 0.00             |
| Balances with bank  |                  |                  |
| In current account  | 0.20             | 1.15             |
| In Fixed deposit (against liabilities )   | 16.52            | 6.53             |
| <b>Total</b>  | <b>16.72</b>     | <b>7.68</b>      |

As per our report of even date attached

For and on behalf of the Board of Directors

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

*Sanjay Agrawal*

Sanjay Agrawal

Partner

Membership No. 087786

Place: New Delhi

Date: 15th May, 2017



*Rakesh Dhamani*

Rakesh Dhamani

Director

DIN:07065199

*Mohit Jain*

Mohit Jain

Director

DIN :01315482

# Punjab Properties Ltd.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### Note -1 : Significant Accounting Policies

#### Note - 1.1 : Basis for preparation of Accounts

The financial statements have been prepared under the Historical Cost Convention on Accrual Basis. The Generally Accepted Accounting Principles in India (Indian GAAP) and the Accounting Standards as notified in the Companies (Accounting Standards) Rules, 2006, as amended, read with Rule 7 of the Companies (Account) Rule, 2014 and as referred under section 129(1) of the Companies Act, 2013 have been adopted by the Company and disclosures are made in accordance with the requirement of Schedule III of the Companies Act, 2013. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### Note - 1.2 : Use of Estimates

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

#### Note - 1.3 : Fixed Assets & Depreciation

Fixed assets are Fixed assets are stated at cost less accumulated depreciation. Cost includes all incidental expenses incurred to bring assets to their present location.

Depreciation on Fixed Assets has been provided for on written Down Value as per rates arrived based on useful life and manner as prescribed under Schedule II of the Companies Act, 2013.



## Punjab Properties Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### Note - 1.4 : Current and Non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

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

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.



## Punjab Properties Ltd.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

#### **Note - 1.5 : 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 can be reliably measured and wherever there are uncertainties in the ascertainment/realization of income the same is not accounted for.

Dividend income is recognized when the right to receive the dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the applicable interest rate. Interest on tax refund is accounted for on receipt basis.

#### **Note - 1.6 : Investments**

Investments held by the Company with an intention to hold the same on long term basis have been classified as long term investments. The long-term investments are valued at their cost of acquisition. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

Current investments, which are intended to be held for not more than one year, are carried at cost or market/quoted value whichever is less. The current maturities portion of long term investments is shown as Current Investments. The comparison of cost and fair value is done separately in respect of each category of investment.

On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

When disposing of a part of the holding of an individual investment, carrying amount to be allocated to that part is determined on the basis of the average carrying amount of the total holding of the investment.

#### **Note - 1.7 : Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

#### **Note - 1.8 : Cash and Cash Equivalents (for purposes of Cash Flow Statement)**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise Cash at bank, Cash on hand and demand deposits with bank with an original maturity of three months or less from the date of acquisition.

#### **Note - 1.9 : Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the net profit /loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per share is calculated by dividing the net profit /loss for the year attributable to equity shareholders by the weighted average No. of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



## Punjab Properties Ltd.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

#### **Note - 1.10 : Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Taxes on Income for the current year (Current Tax) are determined on the basis of taxable income after considering applicable tax allowances and exemptions in accordance with the provisions of Income Tax Act, 1961, as amended from time to time.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws which give rise to future economic benefits in the form of adjustments of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax in future.

Deferred Tax is recognized, subject to considerations of prudence, on timing difference, being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent years.

#### **Note - 1.11 : Impairment of Assets**

All assets are reviewed for impairment; wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which the assets is identified as impaired.

#### **Note - 1.12 : Provisions & Contingencies**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence, or non-occurrence, of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A disclosure for a contingent liability, if any, is made by way of a Note.





**PUNJAB PROPERTIES LTD**

**Note to Financial Statements for the Financial Year ended 31st March,2017**

**Note - 2 : Other Disclosures on Accounts**

**Note 2.1 : Deferred Tax Asset**

The Company has not recognized deferred tax assets on brought forward losses under the Income Tax Act, as there is no virtual certainty of sufficient future taxable income against which such deferred tax assets can be realized.

**Note - 2.2 : Leasehold Land**

Leasehold Land (At cost) of Rs. 14,530 represents the amount retained out of the cost of the plot acquired for Rs. 14,53,000/- from Delhi Development Authority in respect of which formal lease deed in favour of the Company is still under execution .The balance amount of Rs. 14,38,470/- being the cost treated as relating to sale of shops / flats etc.in superstructure on the said land was debited to the Profit & Loss Account for the year ended 30th September, 1980 .

**Note - 2.3 : Contingent Liabilities**

Contingent Liabilities and commitments not provided for Rs. Nil (Previous year Rs. Nil).

**Note - 2.4 : Foreign Exchange earnings and outgo during the period are as follows:-**

| Particulars | Amount (Rs.)                |
|-------------|-----------------------------|
| Earnings    | Nil (Previous Year Rs. Nil) |
| Outgo       | Nil (Previous Year Rs. Nil) |



**PUNJAB PROPERTIES LTD**

**Note to Financial Statements for the Financial Year ended 31st March,2017**

**Note - 2.5 : Segment Reporting**

There are no separate reportable segments as per Accounting Standard - 17 " Segment Reporting ",as the Company has no operations during the year ended 31st March 2017 .(Previous year also there was Nil Segment )

**Note - 2.6 : Dues to Micro,Small & Medium Enterprises**

As identified ,there was no outstanding dues during the accounting year towards the enterprises as defined in the Micro ,Small & Medium Enterprises Development Act , 2006.

**Note - 2.7 : Related Party Disclosures**

**I. Name of Related Party**

| Name of Company /Person            | Relation        |
|------------------------------------|-----------------|
| 1. Rakesh Dhamani                  | Director        |
| 2. Mohit Jain                      | Director        |
| 3. Raj Kumar Jain                  | Director        |
| 4. PNB Finance And Industries Ltd. | Holding Company |

II. There are no transactions with the related parties during the year in terms of Accounting Standard- 18 'Related Party Disclosures'.

**Note-2.8 :** Details of Specified Bank Notes (SBN) held and transacted during the period from '8th November, 2016 to 30th December, 2016 :

In Rs.

| Particulars                           | Specified Bank Notes | Other denomination notes | Total |
|---------------------------------------|----------------------|--------------------------|-------|
| Closing cash in hand as on 08.11.2016 | -                    | 123                      | 123   |
| (+) Permitted receipts                | -                    | -                        | -     |
| (-) Permitted payments                | -                    | -                        | -     |
| (-) Amount deposited in Banks         | -                    | -                        | -     |
| Closing cash in hand as on 30.12.2016 | -                    | 123                      | 123   |

**Note - 2.9 : Earning Per Share (EPS)**

| Particulars  | 31st March,2017 | 31st March2016 |
|--|-----------------|----------------|
| Net Profit /(Loss) after Tax as per Profit & Loss Account (Rs. In Lakh)                  | 1.00            | 7.78           |
| Weighted Average number of Equity Shares (Face Value of Rs. 10/- each per equity share ) | 50,000          | 50,000         |
| Basic and Diluted EPS (In Rupees)  | 2.01            | 15.55          |

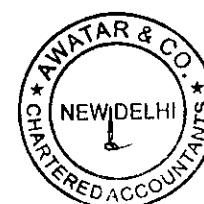
**Note - 2.10 : Inventory**

The Company has no Inventories .

**Note - 2.11 :** Figures have been rounded off to the nearest rupees Lakh .

**Note - 2.12 : Grouping /Regrouping of previous year figures**

Previous year figures have been re-arranged or re - grouped wherever necessary.



**PUNJAB PROPERTIES LTD**

**Note to Financial Statements for the Financial Year ended 31st March,2017**

**3.Share capital**

**(Amount in Rs. Lakh)**

| Particulars  | As at 31st<br>March , 2017 | As at 31st<br>March, 2016 |
|--|----------------------------|---------------------------|
| <b>Share capital</b>   |                            |                           |
| Equity share capital   |                            |                           |
| <b>Authorised share capital</b>  |                            |                           |
| 5,00,000 Equity shares of Rs. 10/-Each   | 50.00                      | 50.00                     |
|  | 50.00                      | 50.00                     |
| <b>Issued, subscribed &amp; fully paid share capital</b>   |                            |                           |
| 50,000(Previous year 50,000)- equity shares of Rs. 10/- each, fully Paid up in cash.(held by the holding Company ,PNB Finance & Industries Ltd.) | 5.00                       | 5.00                      |
| <b>Total</b>   | <b>5.00</b>                | <b>5.00</b>               |

a) There is no change in the Share capital during the year and in the period of five years immediately preceding the date as at which the balance sheet is prepared.

b) The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

c) No dividend has been proposed / declared during the year ended 31st March, 2017 (31st March, 2016 : Nil).

d) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

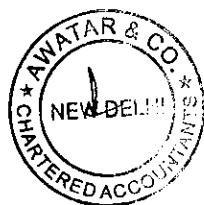
**e) Shares held by the holding Company**

| Particulars  | As at 31st<br>March , 2017 | As at 31st<br>March, 2016 |
|--|----------------------------|---------------------------|
| <b>PNB Finance and Industries Ltd. ( Holding Company )</b> | <b>50,000</b>              | <b>50,000</b>             |

**f) Details of Shareholders holding more than 5 % shares in the Company**

| Particulars  | As at 31st<br>March , 2017 | As at 31st<br>March, 2016 |
|--|----------------------------|---------------------------|
| <b>PNB Finance and Industries Ltd. ( Holding Company )</b> | <b>50000*</b>              | <b>50000*</b>             |

\*Out of the total equity shares 6 (Six) Individuals are holding 1 (one) share each jointly with the holding Company .



# PUNJAB PROPERTIES LTD

Note to Financial Statements for the Financial Year ended 31st March,2017

## Note - 4 : Reserves and surplus

(Amount in Rs. Lakhs)

| Particulars  | As at 31st March ,<br>2017 | As at 31st<br>March, 2016 |
|--|----------------------------|---------------------------|
| <b>Reserves and surplus</b>                                |                            |                           |
| <b>I. General reserve</b>                                  |                            |                           |
| As per last balance sheet                                  | 5.00                       | 3.44                      |
| Add:- additions during the year                            | 0.20                       | 1.56                      |
| <b>(A)</b>   | <b>5.20</b>                | <b>5.00</b>               |
| <b>II.Special resrvs U/s 45 -I C of RBI Act,1934</b>       |                            |                           |
| As per last balance sheet                                  | 6.94                       | 5.39                      |
| Add:- additions during the year                            | 0.20                       | 1.55                      |
| <b>(B)</b>   | <b>7.14</b>                | <b>6.94</b>               |
| <b>III. Surplus</b>  |                            |                           |
| As per last balance sheet                                  | 27.64                      | 22.97                     |
| Add:- profit after tax for the year                        | 1.00                       | 7.78                      |
| Less:- transfer to general reserve                         | 0.20                       | 1.56                      |
| Less:- transfer to special reserve                         | 0.20                       | 1.55                      |
| Net surplus in the statement of profit and loss <b>(C)</b> | <b>28.24</b>               | <b>27.64</b>              |
| <b>Total (A+B+C)</b>                                       | <b>40.58</b>               | <b>39.58</b>              |

## Note - 5 : Long term provisions

| Particulars                             | As at 31st March ,<br>2017 | As at 31st<br>March, 2016 |
|---|----------------------------|---------------------------|
| Provision for security deposits payable | 17.15                      | 7.11                      |
| <b>Total</b>                            | <b>17.15</b>               | <b>7.11</b>               |

## Note - 6 : Other current liabilities

| Particulars        | As at 31st March ,<br>2017 | As at 31st<br>March, 2016 |
|--------------------|----------------------------|---------------------------|
| Audit fees payable | 0.09                       | 0.08                      |
| <b>Total</b>       | <b>0.09</b>                | <b>0.08</b>               |



(Amount in Rs. Lakh)

Punjab Properties Ltd.

Note - 7 : Tangible Fixed Assets Schedule as on 31st March, 2017

| Particulars   | GROSS BLOCK      |                           |                            |                  | DEPRECIATION    |              |            | NET BLOCK             |                  |                  |
|---------------|------------------|---------------------------|----------------------------|------------------|-----------------|--------------|------------|-----------------------|------------------|------------------|
|               | As on 01.04.2016 | Additions during the year | Deductions during the year | As on 31.03.2017 | Upto 31.03.2016 | For the Year | Deductions | Total Upto 31.03.2017 | As on 31.03.2017 | As on 31.03.2016 |
| Computer      | 0.27             | -                         | -                          | 0.27             | 0.25            | -            | -          | 0.25                  | 0.01             | 0.01             |
| Total         | 0.27             | -                         | -                          | 0.27             | 0.25            | -            | -          | 0.25                  | 0.01             | 0.01             |
| Previous Year | 0.27             | -                         | -                          | 0.27             | 0.25            | -            | -          | 0.25                  | 0.01             | 0.01             |



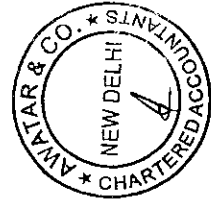
**PUNJAB PROPERTIES LTD**

**Note to Financial Statements for the Financial Year ended 31st March, 2017**

**Note - 8 : Non current investments**

| Particulars   | Face Value<br>(In Rs.) | Shares/Unit<br>s in No. | (Amount in Rs. Lakh)       |                            |
|---|------------------------|-------------------------|----------------------------|----------------------------|
|   |                        |                         | *Value as at<br>31.03.2017 | *Value as at<br>31.03.2016 |
| <b>Unquoted mutual fund units (at cost) (long term)</b> |                        |                         |                            |                            |
| IDFC Corporate Bond Fund -Direct Plan-Growth            | 10                     | 18,382                  | 2.00                       | -                          |
| UTI Income Oppurtunities Fund -Direct Plan -Growth      | 1,000                  | 2,46,943                | 33.00                      | 33.00                      |
| UTI Dynamic Bond Fund -Direct Plan -Growth              | 10                     | 53,495                  | 8.74                       | 8.74                       |
| <b>Total</b>  |                        |                         | <b>43.74</b>               | <b>41.74</b>               |
| <b>Aggregate value of unquoted investments</b>          |                        |                         | <b>43.74</b>               | <b>41.74</b>               |

\* Investments are valued at cost.



PUNJAB PROPERTIES LTD

Note to Financial Statements for the Financial Year ended 31st March,2017

(Amount in Rs. Lakhs)

Note - 9 : Non current long term loans and advances

| Particulars                                      | As at 31st<br>March ,2017 | As at 31st<br>March,2016 |
|--|---------------------------|--------------------------|
| <b>Others</b>                                    |                           |                          |
| <b>Unsecured, considered good</b>                |                           |                          |
| Advance income tax / TDS (net of tax provisions) | 2.20                      | 2.19                     |
| <b>Total</b>                                     | <b>2.20</b>               | <b>2.19</b>              |

Note - 10 : Cash and bank balances

| Particulars   | As at 31st<br>March ,2017 | As at 31st<br>March,2016 |
|---|---------------------------|--------------------------|
| <b>Cash and cash equivalents</b>                        |                           |                          |
| Cash on hand  | -                         | -                        |
| <b>Bank balances</b>                                    |                           |                          |
| Balances with HDFC Bank Ltd.,New Delhi(Current Account) | 0.20                      | 1.15                     |
| <b>Total (A)</b>  | <b>0.20</b>               | <b>1.15</b>              |
| <b>Other bank balances</b>                              |                           |                          |
| Fixed Deposits with banks*                              | 16.52                     | 6.53                     |
| <b>Total (B)</b>  | <b>16.52</b>              | <b>6.53</b>              |
| <b>Total (A+B)</b>                                      | <b>16.72</b>              | <b>7.68</b>              |

\*Against security deposits

Note - 11 : Other current assets

| Particulars               | As at 31st<br>March ,2016 | As at 31st<br>March,2015 |
|---------------------------|---------------------------|--------------------------|
| Leasehold land (at cost ) | 0.14                      | 0.14                     |
| Security deposit (DESU))  | 0.01                      | 0.01                     |
| <b>Total</b>              | <b>0.15</b>               | <b>0.15</b>              |



**PUNJAB PROPERTIES LTD**

**Note to Financial Statements for the Financial Year ended 31st March,2017**

**(Amount in Rs. Lakhs)**

**Note - 12 : Other income**

| Particulars                               | Year Ended 31st<br>March, 2017 | Year Ended 31st<br>March, 2016 |
|---|--------------------------------|--------------------------------|
| Transfer charges on transfer of property  | 2.18                           | 1.09                           |
| Profit on sale of non current investments | -                              | 9.45                           |
| <b>Total</b>                              | <b>2.18</b>                    | <b>10.54</b>                   |

**Note - 13 : Employee benefit expenses**

| Particulars  | Year Ended 31st<br>March,2017 | Year Ended 31st<br>March, 2016 |
|--------------|-------------------------------|--------------------------------|
| Salary       | 0.54                          | 0.62                           |
| <b>Total</b> | <b>0.54</b>                   | <b>0.62</b>                    |

**Note - 14 : Other expenses**

| Particulars                           | Year Ended 31st<br>March,2017 | Year Ended 31st<br>March, 2016 |
|---------------------------------------|-------------------------------|--------------------------------|
| Legal and professional charges        | 0.06                          | 0.19                           |
| Filing fees                           | 0.04                          | 0.02                           |
| Miscellaneous expenditure             | -                             | 0.01                           |
| <u>Auditor's remuneration</u>         |                               |                                |
| Audit fees (inclusive of service tax) | 0.09                          | 0.09                           |
| For other services                    | 0.02                          | -                              |
| <b>Total</b>                          | <b>0.21</b>                   | <b>0.31</b>                    |

As per our report of even date attached

For and on behalf of the Board of Directors

**For Awatar & Co.**

Chartered Accountants  
Firm Regn. No. 000726N

*Sanjay Agrawal*

**Sanjay Agrawal**

Partner

Membership No. 087786

Place: New Delhi

Date: 15th May, 2017



*Rakesh Dhamani*

**Rakesh Dhamani**

Director

DIN:00002109

*Mohit Jain*

**Mohit Jain**

Director

DIN :01315482