

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements Of **MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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**

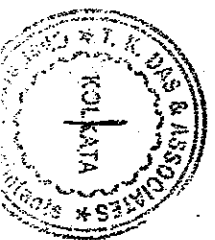
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such 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 financial statements.



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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow 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"), as amended, 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 purpose 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 and the 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "AnnexureB".
- 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 tous:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material 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 8th November, 2016 to 30th December, 2016

For T.K. Das & Associates  
Chartered Accountants  
FR No: 312208E

*M. S.*

(Tarun Kumar Das)  
Proprietor  
ICAI Membership number: 050884

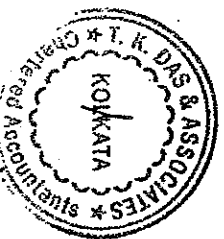
Place: Kolkata  
Date: 04.09.2017



**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its business. Fixed Assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- 2) (a) Construction work in progress includes both Direct and Indirect Expenditures attributable to different projects. Physical verification of construction material at different project sites has been conducted at reasonable intervals by the management.
  - b) In our opinion, the procedure of physical verification of construction material followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The company is maintaining proper records of construction materials and no material discrepancies were noticed on physical verification.
- 3) The Company has granted short term advances unsecured to companies, firms, or other parties covered in the Register maintained under section 189 of the Act and w.r.t the same the principal amount are repayable on demand in accordance with such terms and conditions.
  - a) In our opinion, the terms and conditions of the grant of such advances were not prima facie prejudicial to the interest of the company.
  - b) In our opinion and according to the information and explanations given to us, the terms of agreement do not stipulate any repayment schedule as loans are repayable on demand.  
Accordingly, the provisions of clause 3 (iii) (a) to (c) have been adhered to. There is no overdue amount in respect of advances granted to such companies.
- 4) 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.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried out by the company.



- 7) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax, Service Tax, Professional Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has taken term loans from financial institutions which were duly utilized for the purpose it was sanctioned.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



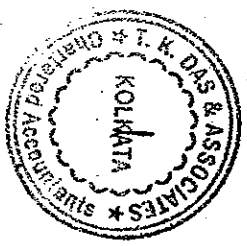
15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For T.K. Das & Associates  
Chartered Accountants  
FR No: 312208E

Place: Kolkata  
Date: 04.09.2017

*M. S.*  
(Tarun Kumar Das)  
Proprietor  
ICAI Membership number: 050884



**Annexure 'B' to the Auditor's Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED** as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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



### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 T.K. Das & Associates

Chartered Accountants

FR No: 312208E

*Handwritten signature*

(Tarun Kumar Das)

Proprietor

ICAI Membership number: 050884

Place: Kolkata  
Date: 04.09.2017





**MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED**

**- BALANCE SHEET AS ON 31st MARCH 2017**

PARTICULARS	Note No.	31st March 2017	31st March 2016
		₹	₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDERS' FUNDS</b>			
1 Share Capital	1	9,50,000.00	9,50,000.00
Reserve & Surplus:	2	13,55,526.13	(53,71,257.32)
Total Shareholders' Funds		<b>23,05,526.13</b>	<b>(44,21,257.32)</b>
<b>Non Current Liabilities</b>			
Long - term borrowings	3	12,22,08,861.87	7,69,76,604.55
Other Long term Liabilities	4	3,53,80,514.00	4,95,54,295.00
Total Non Current Liabilities		<b>15,75,89,375.87</b>	<b>12,65,30,899.55</b>
<b>Current Liabilities</b>			
Short - term borrowings	5	81,64,083.29	2,58,52,921.01
Trade Payables	6	24,77,12,545.83	14,73,09,917.81
Other Current Liabilities	7	2,41,67,34,134.23	2,15,94,09,385.94
Provision For Tax & Interest	8	27,10,000.00	9,10,000.00
Total Current Liabilities		<b>2,67,53,20,763.35</b>	<b>2,33,34,82,224.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,83,52,15,666.29</b>	<b>2,45,55,91,866.99</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Deferred Tax Assets	9	6,24,69,263.42	3,35,40,120.00
Other Non Current Assets	10	1,66,650.65	7,97,141.00
Total Non Current Assets	11	<b>6,26,35,914.07</b>	<b>3,43,47,261.00</b>
<b>Current Assets</b>			
Construction Work in Progress	12	2,53,95,18,341.92	2,19,17,86,672.70
Cash and cash equivalents	13	9,96,30,875.36	10,03,73,398.37
Short Term Loans & Advances	14	13,34,30,534.50	12,90,84,534.92
Total Current Assets		<b>2,77,25,79,751.78</b>	<b>2,42,12,44,605.99</b>
<b>TOTAL ASSETS</b>		<b>2,83,52,15,666.29</b>	<b>2,45,55,91,866.99</b>

Summary of Significant Accounting Policies

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The accompanying notes 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 T.K. Das & Associates  
Chartered Accountants  
F R No: 312208E

*M. S. Das*

CA Tarun Kumar Das  
Proprietor  
ICAI Membership No: 050894  
Place: Kolkata  
Date: 04/09/2017



Magnolia Infrastructure Development Ltd.  
*M. S. Das*  
Director

Magnolia Infrastructure Development Ltd.  
*M. S. Das*  
Director

# MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED

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

	Continuing Operations	
	31.03.2017	31.03.2016
<b>I. INCOME</b>		
Revenue From Operations		
Other Income		
<b>TOTAL REVENUE (III)</b>	<b>75,09,94,633.00</b>	<b>43,56,73,012.00</b>
	<u>99,42,124.26</u>	<u>60,82,093.00</u>
	<b>76,09,36,757.26</b>	<b>44,17,55,105.00</b>
<b>II. EXPENSES</b>		
Cost of Goods Sold		
Employee/benefits expenses		
Other Expenses		
<b>TOTAL</b>	<b>68,73,05,244.76</b>	<b>39,21,05,710.80</b>
	<u>1,01,48,897.00</u>	<u>75,02,291.25</u>
	<b>2,46,31,920.80</b>	<b>2,27,03,586.39</b>
Earning before Interest, tax, depreciation and amortization (EBITDA)	<b>72,20,86,062.56</b>	<b>42,23,11,588.44</b>
Depreciation and Amortization expense	<b>3,88,50,694.70</b>	<b>1,94,43,516.56</b>
Finance Cost		
<b>Profit/(loss) before exceptional items and Tax (III - VI)</b>	<b>66,84,158.58</b>	<b>46,60,750.00</b>
Prior Period Item	<b>2,30,09,262.32</b>	<b>98,85,610.91</b>
<b>Profit/(loss) before tax</b>	<b>91,57,273.80</b>	<b>48,97,155.65</b>
Tax expense		
1. Current Tax	<b>18,00,000.00</b>	<b>9,10,000.00</b>
2. Deferred Tax Liability / (Asset)	<b>6,30,490.35</b>	<b>(5,33,398.00)</b>
3. Excess/Short Provision for Tax		
<b>Total Tax expense</b>	<b>24,30,490.35</b>	<b>3,76,602.00</b>
<b>Profit (Loss) after tax for the year from continuing operations (A)</b>	<b>67,26,783.45</b>	<b>45,20,553.65</b>
<b>Profit/(Loss) for the year from discontinued operations (B)</b>	<b>67,26,783.45</b>	<b>45,20,553.65</b>

**Summary of Significant Accounting Policies**

The accompanying notes are an integral part of the financial statements.  
As per our report of even date attached

For T.K. Das & Associates  
Chartered Accountants  
F R No: 312208E

*M. S.*

CA Tarun Kumar Das  
Proprietor  
ICAI Membership No: 050894  
Place: Kolkata  
Date: 04/09/2017



For and on behalf of the Board of Directors  
Magnolia Infrastructure Development Ltd.  
*S. C. L. S.*  
Director  
Magnolia Infrastructure Development Ltd.



**MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017**

**1 SHARE CAPITAL**

PARTICULARS	31st March 2017		31st March 2016	
	Nos.	₹	Nos.	₹
Authorised Equity Shares of Rs. 10/- each	12,00,000	1,10,00,000.00	11,00,000	1,10,00,000.00
Issued, Subscribed and Paid up 95,000 Equity Shares of Rs 10 each fully paid up	95,000	9,50,000.00	95,000	9,50,000.00
<b>TOTAL</b>	<b>95,000</b>	<b>9,50,000.00</b>	<b>95,000</b>	<b>9,50,000.00</b>

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

	31st March 2017		31st March 2016	
	Nos.	% Holding	Nos.	% Holding
Swapan Poddar	25,000	26.32	25,000.00	26.32
Milhan Poddar	25,000	26.32	25,000.00	26.32
Abhishek Poddar	15,000	15.79	15,000.00	15.79
Virek Poddar	15,000	15.79	15,000.00	15.79
Roma Poddar	5,000	5.26	5,000.00	5.26
Sukia Poddar	5,000	5.26	5,000.00	5.26
Anshu Poddar	5,000	5.26	5,000.00	5.26

**2 RESERVES & SURPLUS**

PARTICULARS	31st March 2017		31st March 2016	
	₹	₹	₹	₹
Surplus/(deficit) in the statement of profit and loss Balance as per last financial statements	(53,71,257.32)	(98,80,376.49)	11,434.48	11,434.48
Profit/(loss) for the year	67,26,783.45	45,20,553.65	(53,71,257.32)	(53,71,257.32)
Add: Liability Written off as no longer required				
Adjustment for depreciation				
Less: Provision not Longer Required	13,55,526.13			
Net surplus/(deficit) in the statement of profit and loss	13,55,526.13	(53,71,257.32)		
<b>TOTAL</b>	<b>13,55,526.13</b>	<b>(53,71,257.32)</b>		

**3 LONG TERM BORROWINGS**

PARTICULARS	31st March 2017		31st March 2016	
	₹	₹	₹	₹
<b>TERM LOANS - SECURED</b>				
HDFC Car loan	1,03,10,829.05	91,77,714.39		
DHFL Loan	1,39,96,208.66	2,04,44,158.00		
Sahara Housingflna Corporation Limited Loan	9,19,36,767.00	4,22,79,964.00		
<b>TERM LOANS - UNSECURED</b>				
HDFC Business Loan	59,65,057.16	54,77,768.16		
<b>TOTAL</b>	<b>12,22,08,864.87</b>	<b>7,69,76,604.55</b>		

Terms and conditions of loans.

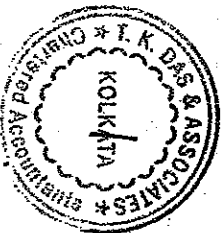
Term Loan from Banks and others is secured by mortgage of certain immovable properties of Project. The Term Loan is repayable in equal monthly instalments.

Magnolia Infrastructure Development Ltd.

Director

Magnolia Infrastructure Development Ltd.

Director



**MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017**

**4 OTHER LONG TERM LIABILITIES**

PARTICULARS	31st March 2017	31st March 2016
Loan From Related Party		
Raunak Constructions	2,25,20,429.00	2,69,07,369.00
Other Loans / Body Corporates	1,28,60,085.00	2,26,46,926.00
<b>TOTAL</b>	<b>3,53,80,514.00</b>	<b>4,95,54,295.00</b>

**5 SHORT TERM BORROWINGS**

PARTICULARS	31st March 2017	31st March 2016
Cash Credit at HDFC		
Cash Credit at IDBI	81,64,083.29	2,23,13,554.01
<b>TOTAL</b>	<b>81,64,083.29</b>	<b>35,39,367.00</b>

Terms and conditions of Cash Credit.

The Cash Credit Account with IDBI is secured against Lien of FDR's shown in Balance sheet.  
 The Cash Credit Account with HDFC is Closed.

**6 TRADE PAYABLES**

PARTICULARS	31st March 2017	31st March 2016
Sundry Creditors	24,77,12,545.83	14,73,09,917.81
<b>TOTAL</b>	<b>24,77,12,545.83</b>	<b>14,73,09,917.81</b>

**7 OTHER CURRENT LIABILITIES**

PARTICULARS	31st March 2017	31st March 2016
Advance from Customers	2,40,75,61,769.94	2,14,79,91,131.65
Liability for Expenses	91,72,364.29	1,14,18,254.29
<b>TOTAL</b>	<b>2,41,67,34,134.23</b>	<b>2,15,94,09,385.94</b>

**8 PROVISIONS**

PARTICULARS	31st March 2017	31st March 2016
Provision for Income Tax	27,10,000.00	9,10,000.00
<b>TOTAL</b>	<b>27,10,000.00</b>	<b>9,10,000.00</b>



Magnolia Infrastructure Development Ltd.

Director

Magnolia Infrastructure Development Ltd.

Director

# MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017

9 TANGIBLE ASSETS

ITEM	COST						DEPRECIATION						NET BLOCK	
	As at beginning of the reporting period		Additions during the year		Total as at 31ST MARCH, 2017		As at beginning of the reporting period		Charge for the year		Total as at 31ST MARCH, 2017			
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current Period	Previous year
Computer	11,34,962	8,17,475	2,08,198	2,17,487	13,43,160	11,34,962	9,27,637	7,28,565	2,15,088	1,99,072	11,42,723	9,27,637	2,00,437	2,07,325
Office Equipments	8,07,777	3,85,698	3,41,490	4,22,079	11,49,267	8,07,777	3,88,641	1,50,548	2,88,855	2,38,093	6,75,496	3,88,641	4,73,771	4,19,136
Motor Car	1,30,01,842	54,24,781	40,55,913	75,78,861	1,70,57,555	1,30,01,842	39,19,937	14,63,502	31,41,757	24,58,435	70,61,694	39,19,937	99,95,861	90,81,705
Furniture & Fittings	73,48,492	33,26,475	3,30,160	40,20,017	78,78,652	73,48,492	21,65,310	8,08,991	15,18,714	13,56,319	36,82,024	21,65,310	39,94,628	51,81,182
Air Conditioner	16,60,654	7,12,800	-	9,47,854	16,60,654	16,60,654	4,20,984	2,03,194	2,48,287	2,17,790	6,67,261	4,20,984	9,93,403	12,39,670
Plant & Machinery	7,79,102	7,79,102	-	-	7,79,102	7,79,102	3,99,900	2,94,051	88,969	1,05,849	4,88,869	3,99,900	2,90,233	3,79,202
Office Space	-	-	3,06,67,541	-	3,06,67,541	-	-	-	11,78,511	-	11,78,511	-	2,94,89,030	-
Plant & Machinery (Acquired)	1,70,31,000	-	-	1,70,31,000	1,70,31,000	1,70,31,000	-	-	-	-	-	-	-	-
Intangible Asset	-	-	-	-	-	-	-	-	-	-	-	-	1,70,31,000	1,70,31,000
Computer Software	2,48,528	2,48,528	-	-	2,48,528	2,48,528	2,47,628	1,70,436	-	77,192	2,47,628	2,47,628	900	900
<b>Grand Total</b>	<b>4,20,18,187</b>	<b>1,17,94,898</b>	<b>3,56,83,302</b>	<b>3,82,18,298</b>	<b>7,76,13,459</b>	<b>4,29,48,457</b>	<b>84,70,837</b>	<b>38,18,287</b>	<b>68,74,158</b>	<b>46,50,758</b>	<b>1,51,44,198</b>	<b>84,70,837</b>	<b>8,24,89,263</b>	<b>3,35,48,128</b>



Magnolia Infrastructure Development Ltd.

*[Signature]*  
Director

Magnolia Infrastructure Development Ltd.

*[Signature]*  
Director

**MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED**  
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017

**10 DEFERRED TAX ASSETS**

PARTICULARS	31st March 2017	31st March 2016
Deferred Tax Asset	1,66,650.65	7,97,141.00
<b>TOTAL</b>	<b>1,66,650.65</b>	<b>7,97,141.00</b>

**11 OTHER NON CURRENT ASSETS**

PARTICULARS	31st March 2017	31st March 2016
Preliminary Expenses		10,000.00
<b>TOTAL</b>		<b>10,000.00</b>

**CONSTRUCTION WORK IN PROGRESS**

PARTICULARS	31st March 2017	31st March 2016
Work in Progress ( Opening )	2,19,17,86,672.70	1,52,99,21,344.90
Add: During the year		
Direct Expenses		
Land & Land Development	5,35,65,819.00	5,67,70,403.00
Architect's Fees	74,65,752.00	1,38,04,340.00
Construction Materials	42,03,52,414.66	41,79,20,527.55
Contractor's payment	34,64,57,147.00	36,58,17,618.00
Payment for Project Development	11,82,33,504.07	9,97,60,389.14
Indirect Expenses		
Salary & Employee Payments	42,94,116.00	49,08,560.00
Professional Fees ( Including Expenses )	7,40,669.00	11,89,640.00
Social/Welfare-Expenses	-5,97,533.00	-49,580.00
Machinery Rent	18,17,815.00	66,69,843.00
Carriage Inward & Freight Charges	5,02,630.00	79,990.00
Electricity Expenses & Fuel	67,93,643.00	47,56,625.45
Site Expenses	60,61,232.25	39,53,915.00
Transformer Expenses	79,37,241.00	33,79,513.00
Labour Charges	2,19,41,407.00	4,20,75,886.00
Marketing Expenses (Advertisement & Promotion)	1,28,34,730.00	1,20,58,259.00
Technical Expenses	13,07,740.00	20,50,489.00
Telephone Expenses		1,27,854.00
Watch & Ward	41,26,041.00	27,01,586.00
Loading & Unloading Expenses	13,60,900.00	8,47,060.00
Cyclist's Expenses		15,60,186.75
Marketing Expenses ( Brokerage )	1,29,90,485.00	67,52,563.00
Director's Remuneration	26,67,740.00	24,38,310.00
Rent	30,28,355.00	42,98,010.00
Less:		
Transferred to Cost of Flats Sold	3,22,68,23,586.68	2,58,38,92,383.50
Balance Carried Forward to Balance Sheet	68,73,05,244.76	39,21,05,710.80
	<b>2,53,95,18,341.92</b>	<b>2,19,17,86,672.70</b>



Magnolia Infrastructure Development Ltd.

Director

Magnolia Infrastructure Development Ltd.

Director

**MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017**

**13 CASH AND BANK BALANCES**

PARTICULARS	31st March 2017	31st March 2016
Balance with Banks:		
Current Accounts	2,63,06,862.59	1,24,10,105.87
Fixed Deposit HDFC	1,33,23,288.97	3,67,72,609.50
Fixed Deposit DHFL	15,95,749.00	5,45,851.00
Fixed Deposit IDBI	5,38,23,076.80	5,01,16,128.00
Balance with Others:		
Cash In Hand	5,31,898.00	5,28,704.00
<b>TOTAL</b>	<b>9,95,30,875.36</b>	<b>10,03,73,398.37</b>

**14 SHORT TERM LOANS & ADVANCES**

PARTICULARS	31st March 2017	31st March 2016
Advance To Parties	1,28,49,767.00	87,08,320.00
Advance to Suppliers	2,98,56,979.72	6,19,49,090.34
Advance for Office / Commercial Space		
DLF Universal Limited	2,89,606.49	9,06,08,237.49
Rajrath IT Park Ltd.	4,72,90,323.00	51,55,152.00
Magus Bengal Estate LLP	7,51,000.00	
Deposit with DLF Utilities Ltd.	20,56,769.39	19,37,660.39
Deposit with Akanksha Nirman Pvt. Ltd.	1,50,00,000.00	1,50,00,000.00
Deposit with Omega Vanijya Rm. Ltd.	2,00,00,000.00	10,00,000.00
IFMS Deposit with Rajrath IT Park	6,27,040.00	
Deposit with India Bulls	8,49,777.00	8,49,777.00
Advance to Staff	13,75,000.00	3,55,000.00
Advance & Self Assessment Tax (F.Y.-2015-16)	5,62,300.00	5,00,000.00
Advance Tax (F.Y.-2016-17)	11,00,000.00	
Tax Deducted at source F.Y. 2015-2016	3,70,849.20	3,70,849.20
Tax Deducted at source F.Y. 2016-2017	5,76,275.20	
Tax Collected at source F.Y. 2016-2017	33,887.00	
Trade Receivables	8,40,960.50	26,50,448.50
<b>TOTAL</b>	<b>13,34,30,534.50</b>	<b>12,90,84,534.92</b>



Magnolia Infrastructure Development Ltd.

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**MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017**

**15 REVENUE FROM OPERATIONS**

PARTICULARS	31st March 2017	31st March 2016
Sale of Flats & Commercial Space	71,96,02,975.00	43,85,84,289.00
Other - Extra Development Charges	3,13,91,658.00	1,70,88,723.00
<b>TOTAL</b>	<b>75,09,94,633.00</b>	<b>43,56,73,012.00</b>

**16 OTHER INCOME**

PARTICULARS	31st March 2017	31st March 2016
Interest on Deposits (Bank and others)	53,18,104.00	34,16,602.00
Other Income	46,24,020.26	26,65,491.00
<b>TOTAL</b>	<b>99,42,124.26</b>	<b>60,82,093.00</b>

**17 COST OF GOODS SOLD**

PARTICULARS	31st March 2017	31st March 2016
Cost of Flats Sold	68,73,05,244.76	39,21,05,710.80
<b>TOTAL</b>	<b>68,73,05,244.76</b>	<b>39,21,05,710.80</b>

**18 EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	31st March 2017	31st March 2016
Salaries, Bonus & Allowances	92,22,616.00	69,31,829.00
Staff Welfare	5,39,231.00	5,70,462.25
*Contributions To Provident Fund & ESIC	3,87,050.00	
<b>TOTAL</b>	<b>1,01,48,897.00</b>	<b>75,02,291.25</b>



Magnolia Infrastructure Development Ltd.

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**MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED**  
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017

**19 OTHER EXPENSES**

PARTICULARS	31st March 2017	31st March 2016
Consultancy Charges	9,41,000.00	2,43,000.00
Repairs & Maintenance	19,55,793.14	7,26,861.00
Conveyance Exp	3,54,393.00	5,25,055.00
Printing & Stationery	9,45,381.00	6,95,516.00
Books & Periodicals	50,700.00	30,947.00
Insurance Expenses	2,22,576.00	2,32,388.00
Audit Fees	30,000.00	25,000.00
Other Professional & Technical Fees	11,84,373.00	5,09,846.00
Electricity, Fuel & Generator Charges	5,90,841.00	1,57,600.00
Courier Charges	3,82,423.00	2,34,261.00
Office expenses:	3,94,949.00	5,87,527.00
ROC filing	3,252.50	5,656.00
Telephone & Internet	7,97,637.68	2,98,325.25
Rates & Taxes	1,99,090.00	4,09,633.00
Project Maintenance & Upkeep Charges	22,72,891.00	
Security Charges	5,06,725.00	3,00,176.00
Gifts & Presentation	2,64,000.00	6,41,773.00
Bank Charges	2,71,940.49	82,991.78
Website & Software Expenses	12,328.00	7,228.00
General Expenses	14,61,340.99	10,35,160.36
Advertisement & Sales Promotion Charges	20,18,089.00	1,00,68,828.00
Marketing Expenses	84,87,065.00	56,50,000.00
-Rent	49,855.00	-3,600.00
Xerox Charges	12,01,110.00	2,07,214.00
Annual Membership Fee	34,167.00	25,000.00
	<b>2,46,31,920.80</b>	<b>2,27,03,586.39</b>

**20 DEPRECIATION AND AMORTIZATION EXPENSES**

PARTICULARS	31st March 2017	31st March 2016
Depreciation	66,74,158.58	46,50,750.00
Preliminary Expenses - Written off	10,000.00	10,000.00
<b>TOTAL</b>	<b>66,84,158.58</b>	<b>46,60,750.00</b>

**21 FINANCE COST**

PARTICULARS	31st March 2017	31st March 2016
Interest on loans	2,30,09,262.32	98,85,610.91
<b>TOTAL</b>	<b>2,30,09,262.32</b>	<b>98,85,610.91</b>



Magnolia Infrastructure Development Ltd.

Director

Magnolia Infrastructure Development Ltd.

Director

## MAGNOLIA INFRASTRUCTURE DEVELOPMENT LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### **22. SIGNICANT ACCOUNTING POLICIES:-**

#### **1. CORPORATE INFORMATION**

Magnolia Infrastructure Development Limited (The Company) is a private limited company domiciled in India and incorporated on 12<sup>th</sup> August, 2010 under the provisions of the Companies Act, 1956.

#### **2. BASIS OF PREPARATION**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounts) Rules, 2014 (as amended) and the relevant provision of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

#### **3. REVENUE RECOGNITION:**

All Expenses and Income to the extent considered payable and receivable respectively are accounted for on mercantile basis unless or otherwise stated. Revenue is recognized on handing over of the possession of respective units to the buyers on executing deed of conveyance after completion of projects.

#### **4. FIXED ASSETS:**

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.

Fixed assets include assets acquired as a result of acquisition of Shree Felts Pvt. Ltd.

#### **5. DEPRECIATION:**

Depreciation has been provided on written down value basis, at the rate determined with reference to the useful lives specified in Schedule II of the Companies Act, 2013. The impact of the change in useful life of fixed assets has been considered in accordance with the provision of Schedule II. Depreciation method, useful life and residual value are reviewed periodically.



Magnolia Infrastructure Development Ltd.

Director

Magnolia Infrastructure Development Ltd.

Director

**6. ACCOUNTING FOR TAXES ON INCOME:**

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws. Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

7. The Company has not received any memorandum (as required to be filed by suppliers with the notified authority under the Micro, Small and Medium Enterprise Development Act, 2006) claiming their status as on 31st March, 2013 as micro, small or medium enterprise. Consequently the amount paid / payable to these parties during the year is nil (Previous Period ₹: Nil).

8. Previous year's figures have been re-grouped/re-cast/re-arranged/ re-classified, wherever necessary, to make them comparable to those of the current year.

9. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating 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.



Magnolia Infrastructure Development Ltd.

1  
Director

Magnolia Infrastructure Development Ltd.

Director