

ASHIANA DWELLINGS PRIVATE LIMITED
F.Y.2014-15

AUDITOR'S REPORT

To the Members of M/s **ASHIANA DWELLINGS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of M/s **ASHIANA DWELLINGS PRIVATE LIMITED**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the 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 of 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 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 control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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.

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 31st March, 2015, and its losses and its 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, 2015 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 statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, 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 Statement comply with the Accounting Standards notified 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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
 - 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 the annexure;
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. the Company does not have any pending litigations which would impact its financial position;

- b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B.Chhawchharia & Co.**
Chartered Accountants
Firm Registration No 305123E



Abhishek Gupta
Partner

Membership No. 529082

Place: New Delhi
Date: 10th September, 2015



ASHIANA DWELLINGS PRIVATE LIMITED

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our Report of even date for the year ended 31st March, 2015

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) According to the information and explanation given to us, all the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As explained, no material discrepancies were noticed on such verification;
2. (a) According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year;
- (b) The procedures of physical verification of inventory followed by the management are 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 inventory and no material discrepancies between physical inventory and book records were noticed on physical verification;
3. The Company has not granted loan, secured or unsecured, to the companies, firms or parties covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. According to explanations given to us, the Company has not accepted any deposits as defined in Companies Act, 2013 and rules framed thereunder.
6. As informed to us, maintenance of cost records under section 148(1) of Companies Act, 2013 is not applicable to the company.
7. (a) According to the records of the company, generally the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end 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 sale tax, income tax, customs duty, wealth tax, service tax, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. Since the company is registered for a period less than five years, comment on accumulated losses, losses for the year and immediately preceding financial year is not applicable to the company.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to debenture holders of the company.
10. According to the information and explanations given to us, the Company has not given any guarantee against loans taken by others from banks or financial institutions as at the close of the year.
11. The Company has not taken any Term Loan during the period under review..
12. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period covered by our audit.

For B. Chhawchharia & Co.
Chartered Accountants
Firm's Registration No.:305123E



Abhishek Gupta
Partner
Membership No.:529082

Place: New Delhi
Date: 10th September, 2015

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ASHIANA DWELLINGS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Notes	₹	AS AT 31.03.2015 ₹
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Funds</u>			
Share Capital	1	60,000,000	
Reserves & Surplus	2	(126,989)	59,873,011
<u>Non-current Liabilities</u>			
Long Term Borrowings	3	595,000,000	
Other Long Term Liabilities	4	133,870,732	728,870,732
<u>Current Liabilities</u>			
Trade Payables	5	104,644,689	
Other Current Liabilities	6	4,334,160	108,978,249
			<u>897,721,992</u>
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Fixed Assets :			
Tangible Assets	7		
Deferred Tax Assets - Net	8	1,915,130	
		47,300	1,962,430
<u>Current Assets</u>			
Current Investments	9	36,852,570	
Inventories	10	730,893,507	
Cash & Cash Equivalents	11	5,718,408	
Short Term Loans & Advances	12	122,295,077	895,759,562
			<u>897,721,992</u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO	17		

The Notes referred above form an integral part of the accounts
In terms of our report of even data attached herewith

For **B. CHHAWCHHARIA & CO.**

Chartered Accountants

Firm Registration No: 305123E.

Abhishek Gupta

Abhishek Gupta

Partner

Membership No: 529082

Place: New Delhi

Date: 10th September, 2015

Raj Kumar Modi
Raj Kumar Modi
(Director)

Rohit Raj Modi
Rohit Raj Modi
(Director)

Geetika Mehta
Geetika Mehta
(Company Secretary)

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ASHIANA DWELLINGS PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD FROM 26TH MAY, 2014 (DATE OF INCORPORATION) TO 31ST MARCH, 2015

Particulars	Notes	26/05/14 to 31/03/15 ₹
Income		
Other Income	13	352,570
		<u>352,570</u>
Expenses		
Direct Costs:		
Purchases - Land		695,515,202
Project Expenses	14	35,378,305
Changes in Inventories	15	(730,893,507)
Other Expenses		-
Depreciation	16	503,307
		<u>23,552</u>
		<u>526,859</u>
Profit/(Loss) before Tax		(174,289)
Tax Expenses :		
Current Tax		-
Deferred Tax		-
Profit/(Loss) for the year		<u>(47,300)</u>
		<u>(126,989)</u>
Earning Per Share		
(On Equity Shares of nominal value of ₹ 10/- each)		
Basic and Diluted		(0.05)

The Notes referred above form an integral part of the accounts.
In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Firm Registration No: 305123E

A Gupta

Abhishek Gupta

Partner

Membership No: 529082

Place: New Delhi

Date: 10th September, 2015

Raj Kumar Modi

Raj Kumar Modi

(Director)

Rohit Raj Modi

Rohit Raj Modi

(Director)

G. Mehta

Geetika Mehta
(Company Secretary)

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**ASHIANA DWELLINGS PRIVATE
LIMITED
F.Y. 2015-16**

Independent Auditor's Report

To the Members of Ashiana Dwellings Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ashiana Dwellings Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the 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 and presentation 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 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 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. 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.

Basis of Qualified Opinion

The Company is not disclosing particulars as required in pursuance to Schedule III of Companies Act, 2013 in relation to trade payable falling under the category of Micro and Small enterprises. (Note 18(2))

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Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of matter described in the Basis of Qualified Opinion paragraph*, 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 31 March 2016 and its loss and its 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 the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss 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 the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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 "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company does not have any pending litigations which would impact its financial position;
- ii. the Company does not have any material foreseeable losses on long term contracts including derivative contracts which would impact its financial position;
- iii. there were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company


Place: New Delhi

Date: 27th August, 2016

For B.CHHAWCHHARIA & CO.

Firm Registration No. 305123E

Chartered Accountants



Abhishek Gupta

Partner

Membership No. 529082



Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company do not hold any immovable property as fixed assets.
- (ii) According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals during the year, which in our opinion, is reasonable having regard to the size of the company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) The Company has not granted secured/unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) The Company has not given/made any loans, investments, guarantees and securities in terms of the provisions of sections 185 and 186 of the Companies Act, 2013 and hence, the said clause is not applicable on the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company.
- (vii) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, and no such statutory dues were outstanding as at the last day of the financial year under review for a period of more than six months from the date they became payable *except External Development Charges amounting to ₹ 476.90Lacs*

(b) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess, as applicable, which have not been deposited on account of any dispute.

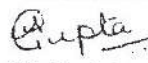
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- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holder.
- (ix) In our opinion and according to the information and explanation given to us, term loan have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- (xi) The company is a Private Limited company hence the provisions of section 197 read with Schedule V to the Act is not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment / private placement of optionally convertible debentures during the year in accordance with section 42 of the Companies Act, 2013. The proceeds have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi

Date: 27th August, 2016

For B.CHHAWCHHARIA & CO.
Firm Registration No. 305123E
Chartered Accountants


Abhishek Gupta
Partner

Membership No. 529082



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Ashiana Dwellings Private Limited ("the Company") as of 31 March 2016 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 ("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.

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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 31 March 2016, 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.

Place: New Delhi

Date: 27th August, 2016

For **B. CHHAWCHHARIA & CO.**
Firm Registration No. 305123E
Chartered Accountants



Abhishek Gupta
Partner
Membership No. 529082



ASHIANA DWELLINGS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Notes	AS AT 31.03.2016	AS AT 31.03.2015
		₹	₹
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Funds</u>			
Share Capital	1	60,000,000	60,000,000
Reserves & Surplus	2	(1,649,276)	59,873,011
		58,350,724	(126,989)
<u>Non-current Liabilities</u>			
Long Term Borrowings	3	695,000,000	595,000,000
Other Long Term Liabilities	4	10,642,332	133,870,732
		705,642,332	728,870,732
<u>Current Liabilities</u>			
Trade Payables	5	13,442,553	104,644,089
Other Current Liabilities	6	316,105,112	4,334,160
		329,547,665	108,978,249
		<u>1,093,540,721</u>	<u>897,721,992</u>
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Fixed Assets :	7		
Tangible Assets		5,987,358	1,915,130
Deferred Tax Assets - Net	8	728,000	47,300
		6,715,358	1,962,430
<u>Current Assets</u>			
Current Investments	9	15,853,473	36,852,570
Inventories	10	783,119,792	730,893,507
Cash & Cash Equivalents	11	24,771,269	5,718,408
Short Term Loans & Advances	12	263,080,829	122,295,077
		1,086,825,363	895,759,562
		<u>1,093,540,721</u>	<u>897,721,992</u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO	18		

The Notes referred above form an integral part of the accounts.
In terms of our report of even data attached herewith

For **B. CHHAWCHHARIA & CO.**
Chartered Accountants
Firm Registration No: 305123E

Gupta

Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
Date: 27th August, 2016

Raj Kumar Modi
Raj Kumar Modi
(Director)

Rohit Raj Modi
Rohit Raj Modi
(Director)

Geetika Mehta
Geetika Mehta
(Company Secretary)

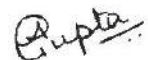
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ASHIANA DWELLINGS PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016


Particulars	Notes	2015-16	2014-15
		₹	₹
Income			
Other Income	13	2,850,926	352,570
		<u>2,850,926</u>	<u>352,570</u>
Expenses			
Direct Costs:			
Purchases - Land		-	695,515,202
Project Expenses	14	52,226,285	35,378,305
Changes in Inventories	15	(52,226,285)	(730,893,507)
Employee Benefit Expenses	16	1,870,207	-
Other Expenses	17	2,341,139	503,307
Depreciation		<u>842,567</u>	<u>23,552</u>
		<u>5,053,913</u>	<u>526,859</u>
Profit/(Loss) before Tax		(2,202,987)	(174,289)
Tax Expenses :			
Current Tax		-	-
Deferred Tax		(680,700)	(47,300)
Profit/(Loss) for the year		<u>(1,522,287)</u>	<u>(126,989)</u>
Earning Per Share			
(On Equity Shares of nominal value of ₹ 10/- each)			
Basic and Diluted		(0.25)	(0.05)

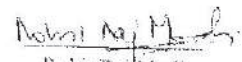
The Notes referred above form an integral part of the accounts.
In terms of our report of even date attached herewith

For **B. CHHAWCHHARIA & CO.**
Chartered Accountants
Firm Registration No: 305123E



Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
Date: 27th August, 2016


Raj Kumar Modi
(Director)


Rohit Raj Modi
(Director)


Geetika Mehta
(Company Secretary)

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**ASHIANA DWELLINGS
PRIVATE LIMITED
F.Y. 2016-2017**

Independent Auditor's Report

To the Members of Ashiana Dwellings Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ashiana Dwellings Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the 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 and presentation 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 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 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. 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.

Basis of Qualified Opinion

The Company is not disclosing particulars as required in pursuance to Schedule III of Companies Act, 2013 in relation to trade payable falling under the category of Micro and Small enterprises.
(Note 22(2))



Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of matter described in the Basis of Qualified Opinion paragraph*, 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 31 March 2017 and its Profit and its 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 the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss 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 the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company does not have any pending litigations which would impact its financial position;

ii. the Company does not have any material foreseeable losses on long term contracts including derivative contracts which would impact its financial position;

iii. there were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company;

iv the company has provided requisite disclosure in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and such disclosure are in accordance with the books of accounts maintained by the company;

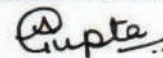
Place: New Delhi

Date: 1st September, 2017

For B.CHHAWCHHARIA & CO.

Firm Registration No. 305123E

Chartered Accountants



Abhishek Gupta

Partner

Membership No. 529082



Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not have any immovable property as fixed assets.
- (ii) According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals during the year which, in our opinion, is reasonable having regard to the size of the company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) The Company has not granted secured/unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) The Company has not given/made any loans, investments, guarantees and securities in terms of provisions of section 185 and 186 of the Companies Act, 2013 and, hence, the said clause is not applicable on the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company.
- (vii) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, and no such statutory dues were outstanding as at the last day of the financial year under review 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, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess, as applicable, which have not been deposited on account of any dispute.



- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holder .
- (ix) In our opinion and according to the information and explanation given to us, term loan have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- (xi) The company is a Private Limited company hence the provisions of section 197 read with Schedule V to the Act is not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

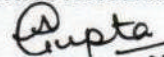
Place: New Delhi

Date: 1st September, 2017

For B.CHHAWCHHARIA & CO.

Firm Registration No. 305123E

Chartered Accountants



Abhishek Gupta

Partner

Membership No. 529082



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Ashiana Dwellings Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial 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 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

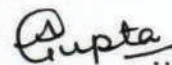
Place: New Delhi

Date: 1st September, 2017

For B.CHHAWCHHARIA & CO.

Firm Registration No. 305123E

Chartered Accountants



Abhishek Gupta

Partner

Membership No. 529082



ASHIANA DWELLINGS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Notes	AS AT 31.03.2017	AS AT 31.03.2016
		₹	₹
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Funds</u>			
Share Capital	1	60,000,000	60,000,000
Reserves & Surplus	2	(2,913,397)	(1,649,276)
		57,086,603	58,350,724
<u>Non-current Liabilities</u>			
Long Term Borrowings	3	646,902,558	695,000,000
Other Long Term Liabilities	4	162,095,042	10,642,332
		808,997,600	705,642,332
<u>Current Liabilities</u>			
Trade Payables	5	17,430,963	13,442,553
Other Current Liabilities	6	689,102,584	316,105,112
		706,533,547	329,547,665
		<u>1,572,617,750</u>	<u>1,093,540,721</u>
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Fixed Assets :	7		
Tangible Assets		5,544,729	5,987,358
Long Term Loans & Advances	8	278,946,447	-
Deferred Tax Assets - Net	9	1,358,800	728,000
		285,849,976	6,715,358
<u>Current Assets</u>			
Current Investments	10	62,844,835	15,853,473
Inventories	11	957,861,028	783,349,652
Cash & Cash Equivalents	12	15,178,847	24,771,269
Short Term Loans & Advances	13	250,883,064	262,850,969
		1,286,767,774	1,086,825,363
		<u>1,572,617,750</u>	<u>1,093,540,721</u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS	19		

The Notes referred above form an integral part of the accounts.
In terms of our report of even data attached herewith

For **B. CHHAWCHHARIA & CO.**
Chartered Accountants
Firm Registration No: 305123E

Gupta

Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
Date: 1st September, 2017



Raj Kumar Modi
Raj Kumar Modi
(Director)

Rohit Raj Modi
Rohit Raj Modi
(Director)

Geetika Mehta
Geetika Mehta
(Company Secretary)

ASHIANA DWELLINGS PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Notes	2016-17 ₹	2015-16 ₹
Income			
Other Income	14	5,504,822	2,850,926
		<u>5,504,822</u>	<u>2,850,926</u>
Expenses			
Direct Costs:			
Project Expenses	15	169,712,889	52,456,145
Changes in Inventories	16	(169,712,889)	(52,456,145)
		-	-
Employee Benefit Expenses	17	3,734,320	1,870,207
Other Expenses	18	2,847,032	2,341,139
Depreciation		818,391	842,567
		<u>7,399,743</u>	<u>5,053,913</u>
Profit/(Loss) before Tax		(1,894,921)	(2,202,987)
Tax Expenses :			
Current Tax		-	-
Deferred Tax		(630,800)	(680,700)
Profit/(Loss) for the year		<u>(1,264,121)</u>	<u>(1,522,287)</u>
Earning Per Share (On Equity Shares of nominal value of ₹ 10/- each)			
Basic and Diluted		(0.21)	(0.55)

The Notes referred above form an integral part of the accounts.
In terms of our report of even date attached herewith

For **B. CHHAWCHHARIA & CO.**
Chartered Accountants
Firm Registration No: 305123E

Gupta

Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
Date: 1st September, 2017

Raj Kumar Modi
Raj Kumar Modi
(Director)

Rohit Raj Modi
Rohit Raj Modi
(Director)

Geetika Mehta
Geetika Mehta
(Company Secretary)

