

**ASHIANA LANDCRAFT REALITY PRIVATE  
LIMITED**

**F.Y.2014-15**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of M/s ASHIANA LANDCRAFT REALTY PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of ASHIANA LANDCRAFT REALTY PRIVATE LIMITED, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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 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.



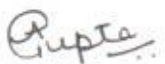
## Opinion

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 31<sup>st</sup> March, 2015, 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, 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: 30<sup>th</sup> May, 2015



ASHIANA LANDCRAFT REALTY PRIVATE LIMITED

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- 1) a) The company is maintaining 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 explanations given to us, the management has physically verified the inventory during the year. In our opinion, the frequency of verification is reasonable.  
b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3) The company has not granted any loans, secured or unsecured, to companies, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of constructed units and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- 5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- 6) The maintenance of cost records as prescribed by Central Government under Section (1) of Section 148 of the Companies Act, 2013, is not applicable to the company.
- 7) a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, 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) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, as applicable, which have not been deposited on account of any dispute.
  - c) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with relevant provisions of the Act.
- 
- 8) Since the company is registered for a period of 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 a financial institution, bank or debenture holder.
  - 10) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions as at the close of the year.
  - 11) 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.
  - 12) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

*Gupta*

Abhishek Gupta  
Partner  
Membership No. 529082

Place: New Delhi  
Date: 30<sup>th</sup> May, 2015



ASHIANA LANDCRAFT REALTY PRIVATE LIMITED  
(FORMERLY VIROMA DEVELOPERS PRIVATE LIMITED)  
BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Notes	AS AT 31.03.2015		AS AT 31.03.2014	
		₹	₹	₹	₹
<b><u>EQUITY AND LIABILITIES</u></b>					
<b><u>Shareholders' Funds</u></b>					
Share Capital	1	110,000,000		110,000,000	
Reserves & Surplus	2	3,300,077	113,300,077	1,529,497	111,529,497
<b><u>Non-current Liabilities</u></b>					
Long Term Borrowings	3	2,384,110,260		2,090,000,000	
Deferred Tax Liabilities	4	(133,000)		70,000	
Other Long Term Liabilities	5	75,698,000		30,786,300	
Long Term Provisions	6	280,767,000	2,740,442,260	88,164,000	2,209,020,300
<b><u>Current Liabilities</u></b>					
Trade Payables	7	91,593,102		7,785,565	
Other Current Liabilities	8	984,293,893		588,449,655	
Short-term Provisions	9	1,088,108	1,076,975,103	347,740	596,582,960
			3,930,717,440		2,917,132,757
<b><u>ASSETS</u></b>					
<b><u>Non-current Assets</u></b>					
Fixed Assets :	10				
Tangible Assets		10,166,987		3,775,484	
Long Term Loans & Advances	11	2,201,445,826	2,211,612,813	2,201,420,826	2,205,196,310
<b><u>Current Assets</u></b>					
Current Investments	12	77,676,942		166,592,113	
Inventories	13	1,181,596,726		303,532,064	
Cash & Cash Equivalents	14	88,352,684		790,419	
Short-Term Loans & Advances	15	371,472,027		241,009,354	
Other Current Assets	16	6,248	1,719,104,627	12,497	711,936,447
			3,930,717,440		2,917,132,757
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS	23				

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: 30th May, 2015

*Rohit Raj Modi*

Rohit Raj Modi  
(Director)

*Sudha Ravi*

Sudha Ravi  
(Director)

*Manu Garg*

Manu Garg  
(Director)

*Dhruv Ahuja*

Dhruv Ahuja  
(Director)

*Prachi Khanna*

Prachi Khanna  
(Company Secretary)



ASHIANA LANDCRAFT REALTY PRIVATE LIMITED  
(FORMERLY VIROMA DEVELOPERS PRIVATE LIMITED)  
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Notes	2014-2015 ₹	2013-2014 ₹
<b>Income</b>			
Other Income	17	17,338,666	2,827,245
		<u>17,338,666</u>	<u>2,827,245</u>
<b>Expenses</b>			
<b>Direct Costs:</b>			
Project Expenses	18	878,381,428	302,279,313
Changes in Inventories	19	(878,381,428)	(302,279,313)
		-	-
Employee Benefit Expenses	20	4,816,867	-
Other Expenses	21	7,703,966	611,149
Depreciation		2,159,643	181,455
		<u>14,680,476</u>	<u>792,604</u>
Profit before Tax		2,658,190	2,034,641
<b>Tax Expenses :</b>	22		
Current Tax		1,090,610	350,000
Deferred Tax		(203,000)	70,000
Profit for the year		<u>1,770,580</u>	<u>1,614,641</u>
<b>Earning Per Share</b> (On Equity Shares of 'B' Class of nominal value of ₹ 10/- each)			
Basic and Diluted		0.16	0.26

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: 30th May, 2015



*Rohit Raj Modi*  
Rohit Raj Modi  
(Director)

*Sudha Ravi*  
Sudha Ravi  
(Director)

*Manu Garg*  
Manu Garg  
(Director)

*Dhruv Ahuja*  
Dhruv Ahuja  
(Director)

*Prachi Khanna*  
Prachi Khanna  
(Company Secretary)

**ASHIANA LANDCRAFT REALTY  
PRIVATE LIMITED  
F.Y. 2015-16**

**Independent Auditor's Report**

**To the Members of Ashiana Landcraft Realty Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Ashiana Landcraft realty 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 23(3))*



### 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: 24<sup>th</sup> May, 2016



**For B. CHHAWCHHARIA & CO.**

Firm Registration No. 305123E

Chartered Accountants

*Gupta*

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 does not have any immovable property.
- (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 with the provisions of section 185 and 186 of the Companies Act, 2013. 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 *except External Development Charges amounting to ₹955.84Lacs*  
  
(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 him.
- (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: 24<sup>th</sup> May, 2016



**For B.CHHAWCHHARIA & CO.**

Firm Registration No. 305123E

Chartered Accountants

*Gupta*

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 Landcraft Realty 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.



### **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: 24<sup>th</sup> May, 2016



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

*Gupta*

Abhishek Gupta  
Partner  
Membership No. 529082

**ASHIANA LANDCRAFT REALTY PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Notes	AS AT 31.03.2016		AS AT 31.03.2015	
		₹	₹	₹	₹
<b><u>EQUITY AND LIABILITIES</u></b>					
<b><u>Shareholders' Funds</u></b>					
Share Capital	1	110,000,000		110,000,000	
Reserves & Surplus	2	1,549,418	111,549,418	3,300,077	113,300,077
<b><u>Non-Current Liabilities</u></b>					
Long Term Borrowings	3	2,024,884,851		2,384,110,260	
Other Long Term Liabilities	4	126,984,080		75,698,000	
Long Term Provisions	5	418,034,600	2,569,903,531	280,767,000	2,740,575,260
<b><u>Current Liabilities</u></b>					
Trade Payables	6	164,807,016		91,593,102	
Other Current Liabilities	7	2,183,493,072		984,293,893	
Short-term Provisions	8	93,802,087	2,442,102,175	1,088,108	1,076,975,103
			<u>5,123,555,125</u>		<u>3,930,850,440</u>
<b><u>ASSETS</u></b>					
<b><u>Non-current Assets</u></b>					
Fixed Assets :	9				
Tangible Assets		6,739,455		10,166,987	
Deferred Tax Assets	10	916,000		133,000	
Long Term Loans & Advances	11	1,861,176,028	1,868,831,483	2,201,445,826	2,211,745,813
<b><u>Current Assets</u></b>					
Current Investments	12	48,482,235		77,676,942	
Inventories	13	2,593,964,679		1,181,596,726	
Cash & Cash Equivalents	14	50,166,908		88,352,684	
Short-Term Loans & Advances	15	562,109,820		371,472,027	
Other Current Assets	16	-	3,254,723,642	6,248	1,719,104,627
			<u>5,123,555,125</u>		<u>3,930,850,440</u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS	23				

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: 24th May, 2016



*Rohit Raj Modi*  
Rohit Raj Modi  
(Managing Director)

*Sudha Ravi*

Sudha Ravi  
(Director)

*Prachi*

Prachi Khanna  
(Company Secretary)

*Manu Garg*  
Manu Garg  
(Managing Director)

*Dhruv Ahuja*

Dhruv Ahuja  
(Director)

*Devendra Rathi*

Devendra Rathi  
(CFO)

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

Particulars	Notes	2015-16	2014-2015
		₹	₹
<b>Income</b>			
Other Income	17	10,817,851	17,338,666
		10,817,851	17,338,666
<b>Expenses</b>			
<b>Direct Costs:</b>			
Purchases - Development Rights		340,269,798	-
Project Expenses	18	1,065,836,976	878,381,428
Changes in Inventories	19	(1,406,106,774)	(878,381,428)
		-	-
Employee Benefit Expenses	20	5,826,229	4,816,867
Other Expenses	21	4,365,621	7,703,966
Depreciation		3,159,660	2,159,643
		13,351,510	14,680,476
<b>Profit/(Loss) before Tax</b>		(2,533,659)	2,658,190
<b>Tax Expenses :</b>	22		
Current Tax		-	1,090,610
Deferred Tax		(783,000)	(203,000)
<b>Profit/(Loss) for the year</b>		(1,750,659)	1,770,580
<b>Earning Per Share</b>			
(On Equity Shares of 'B' Class of nominal value of ₹ 10/- each)			
Basic and Diluted		(0.16)	0.16

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

*Signature*

Abhishek Gupta  
Partner  
Membership No: 529082  
Place: New Delhi  
Date: 24th May, 2016



*Signature*  
Rohit Raj Modi  
(Managing Director)

*Signature*  
Manu Garg  
(Managing Director)

*Signature*  
Sudha Ravi  
(Director)

*Signature*  
Dhruv Ahuja  
(Director)

*Signature*  
Prachi Khanna  
(Company Secretary)

*Signature*  
Devendra Rathi  
(CFO)

**ASHIANA LANDCRAFT REALTY  
PRIVATE LIMITED  
FINANCIAL YEAR : 2016-2017**

**Independent Auditor's Report**

**To the Members of Ashiana Landcraft Realty Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Ashiana Landcraft Realty 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(3))*



### 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 8<sup>th</sup> November, 2016 to 31<sup>st</sup> December, 2016 and such disclosure are in accordance with the books of accounts maintained by the company;

Place: New Delhi

Date: 22<sup>nd</sup> May, 2017



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

*Gupta*

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 *except External Development Charges amounting to ₹1713.71Lacs*  
  
(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 except interest on secured debenture amounting to ₹2138.95 Lacs due on 31<sup>st</sup> March, 2017.
- (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 issued Optionally Convertible debentures during the year under review in compliance with the section 42 of Companies Act, 2013. The amount raised 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: 22<sup>nd</sup> May, 2017

**For B.CHHAWCHHARIA & CO.**

Firm Registration No. 305123E

Chartered Accountants

*Gupta*

Abhishek Gupta

Partner

Membership No. 529082



**ASHIANA LANDCRAFT REALTY PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Notes	AS AT 31.03.2017	AS AT 31.03.2016
		₹	₹
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	1	110,000,000	110,000,000
Reserves & Surplus	2	2,756,593	112,756,593
			1,549,418
			111,549,418
<b><u>Non-Current Liabilities</u></b>			
Long Term Borrowings	3	2,877,528,753	2,024,884,851
Other Long Term Liabilities	4	160,414,807	126,984,080
Long Term Provisions	5	450,852,600	3,488,796,160
			418,034,600
			2,569,903,531
<b><u>Current Liabilities</u></b>			
Trade Payables	6	45,847,230	164,807,016
Other Current Liabilities	7	2,600,175,189	2,183,493,073
Short-Term Provisions	8	62,587,038	2,708,609,457
			93,802,087
			2,442,102,176
		6,310,162,210	5,123,555,125
<b><u>ASSETS</u></b>			
<b><u>Non-current Assets</u></b>			
Fixed Assets :	9		
Tangible Assets		5,604,332	6,739,455
Deferred Tax Assets	10	1,113,000	916,000
Long Term Loans & Advances	11	1,743,763,737	1,750,481,069
			1,861,176,028
			1,868,831,483
<b><u>Current Assets</u></b>			
Current Investments	12	168,492,617	48,482,235
Inventories	13	3,670,274,540	2,601,084,497
Cash & Cash Equivalents	14	60,133,971	50,166,908
Short-Term Loans & Advances	15	660,780,013	4,559,681,141
			554,990,002
			3,254,723,642
		6,310,162,210	5,123,555,125
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS	22		

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: 22nd May, 2017



*Rohit Raj Modi*  
Rohit Raj Modi  
(Managing Director)

*K.K. Kirthivasan*  
K.K. Kirthivasan  
(Director)

*Prachi Khanna*  
Prachi Khanna  
(Company Secretary)

*Manu Garg*  
Manu Garg  
(Managing Director)

*Dhruv Ahuja*  
Dhruv Ahuja  
(Director)

*Devendra*  
Devendra  
(CFO)

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

Particulars	Notes	2016-17	2015-16
		₹	₹
<b>Income</b>			
Other Income	16	17,551,359	10,817,851
		<u>17,551,359</u>	<u>10,817,851</u>
<b>Expenses</b>			
<b>Direct Costs:</b>			
Purchases - Development Rights		117,621,956	340,269,798
Project Expenses	17	938,324,419	1,072,956,794
Changes in Inventories	18	<u>(1,055,946,375)</u>	<u>(1,413,226,592)</u>
		-	-
Employee Benefit Expenses	19	6,842,281	5,826,229
Other Expenses	20	8,507,505	4,365,621
Depreciation		<u>1,191,398</u>	<u>3,159,660</u>
		<u>16,541,184</u>	<u>13,351,510</u>
<b>Profit/(Loss) before Tax</b>		<b>1,010,175</b>	<b>(2,533,659)</b>
<b>Tax Expenses :</b>	21		
Deferred Tax		<u>(197,000)</u>	<u>(783,000)</u>
<b>Profit/(Loss) for the year</b>		<u><b>1,207,175</b></u>	<u><b>(1,750,659)</b></u>
<b>Earning Per Share</b>			
(On Equity Shares of 'B' Class of nominal value of ₹ 10/- each)			
Basic and Diluted		<b>0.11</b>	<b>(0.16)</b>

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: 22nd May, 2017



*Rohit Raj Modi*  
Rohit Raj Modi  
(Managing Director)

*K.K. Kirthivasan*  
K.K. Kirthivasan  
(Director)

*Prachi Khanna*  
Prachi Khanna  
(Company Secretary)

*Manu Garg*  
Manu Garg  
(Managing Director)

*Dhruv Ahuja*  
Dhruv Ahuja  
(Director)

*Devendra Rathi*  
Devendra Rathi  
(CFO)