

## DIRECTORS' REPORT

To the Members of Vatika Limited,

Your Directors have pleasure in presenting the Sixteenth Annual Report of your Company, together with the Audited Accounts for the year ended March 31, 2014.

### FINANCIAL RESULTS AND FUTURE OUTLOOK

1. Your Company's performance during the year as compared with that during the previous year is summarized below :

Particulars	Financial Year 2013-14	Financial Year 2012-13
	(Rs. in Lacs)	(Rs. in Lacs)
<b>Revenue</b>	<b>164,846</b>	<b>117,526</b>
<b>Expenditure</b>		
Cost of sales	123200	84,382
Personnel Expenses	1710	1,491
Operating and other expenses	8368	6,730
<b>Total</b>	<b>133278</b>	<b>92,603</b>
Profit before interest, depreciation, tax and other income (PBIDT )	<b>31568</b>	<b>24,923</b>
Financial expenses	24637	17,370
Depreciation and Amortization	326	317
<b>Total</b>	<b>24963</b>	<b>17,687</b>
Profit before tax and other income	<b>6604</b>	<b>7,236</b>
Other income	2521	929
Profit before tax (PBT)	<b>9125</b>	<b>8,165</b>
Tax expense	3220	2,775
Profit after tax (PAT)	<b>5905</b>	<b>5,390</b>

During the period under review, your Company registered a growth of 40% in revenue as compared to the last FY 2012-13. PBIDT as % of revenue is 19% in FY 2012-13 as compared to 21% in previous year primarily because of the cumulative impact due to upward revision in project cost budgets on account of increase in material and labour rates. PBT as % of revenue is 6% in FY 2012-13 as compared to 7% in the previous year.

Real Estate Sector, a key economic sector in terms of its direct GDP contribution and a key employment generator in terms of its forward and backward linkages with over 250 industries, is cyclical in nature and is primarily driven by consumer sentiments, monetary policy and overall economic outlook. FY 2013-14 faced continuing challenges for the Indian Economy including the real estate sector and a sluggish year in terms of economic growth, largely because of high interest rates, lower investment growth, inflation,

regulatory uncertainty resulting in low GDP growth rate impacting sentiments and investment interest across businesses. After clear majority at center and government inclination to increase investment in real estate, this sector has potential to drive the demand in 2015.

Your Company is continuously maintaining its focus on project execution & delivery by optimal utilization of available resources, surplus asset sales, targeting mid segment housing markets to ensure sustained order book growth, continuing focus on enhancing the quality of service delivery to its customers and cost management across various functions. We believe our focused approach and large asset base will help us sustain the overall economic uncertainty.

## **2. Update on various process automation and improvement initiatives**

As part of its constant endeavor to achieve excellence, your Company has successfully implemented design management system which ensures speedy and effective closure of project design processes. Apart from above Company has achieved ISO certification for its Marketing & Client Services Division to ensure better quality services to its clients.

As a next step your company intends to provide web access to its property consultants which will give them access to their running ledgers, their bookings with us, the existing and new schemes that they have been enrolled for, the inventory available for them to sell etc. This will bring in complete transparency with one of your Company's key stake holders and will contribute towards enhanced business performance

## **3. Cautionary Statement**

Statements in the financial performance and future outlook describing the Company's projections, estimates, expectations may be "forward looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the company's operations but it is not exhaustive.

### **DIVIDEND**

No dividend was recommended by the Board of Directors of the Company.

### **FIXED DEPOSITS**

As on March 31, 2014, fixed deposits from the public and shareholders stood at Rs.899.11 lacs out of which nil amount remain unclaimed. There were no overdue deposits as on that date.

The Company discontinued the acceptance of Fixed deposits w.e.f April 1, 2014 to comply with the provisions of Companies Act, 2013 which inter-alia provides for shareholders approval, appointment of deposit trustees and other requirements.

### **SUBSIDIARY COMPANIES**

The Company had 39 subsidiaries as on March 31, 2014 as set out below:

## 1. \*Vatika Hotels Private Limited (Wholly Owned Subsidiary)

M/s Vatika Hotels Private Limited is into the business of construction and management of hotels, restaurants. It also provides Facility Management services and operating business centers on Pan India basis. The Company has finalized to open three new state-of-the-art business centers in Chennai, Delhi & Hyderabad & started fit outs during the year for the same. All three business centers will get operational in 2014-15.

The Hotel '**Westin Gurgaon**' has performed exceedingly well since its opening in October 2010 and being able to establish itself as the major hotel in entire Delhi-NCR. The Company plans to start work very soon on its ambitious project '**The Golf Course Beach Resort**' on ECR Chennai Pondicherry Road, near Pondicherry.

The Facility Management is also growing well with reasonable growth in external clientele also.

Other subsidiary companies as mentioned in point no. 2 to 39 below are into the business of development of real estate projects. They primarily hold land which eventually being developed by Vatika Limited.

2. \*SH Tech Park Developers Private Limited
3. \*Vatika Jaipur SEZ Developers Limited
4. \*Vatika IT Parks Private Limited
5. \*Aspire Promoters Private Limited
6. \*Vatika Dwellers Private Limited
7. \*Famous Dwellers Private Limited
8. \*Valterna Promoters and Developers Private Limited
9. \*\*\*Emilia Estates Private Limited
10. \* Vatika Overseas Limited
11. \*\*Blossom Properties Private Limited
12. \*\*Crazy Properties Private Limited
13. \*\*Pegasus Infrastructure Private Limited
14. \*\*Sahar Land and Housing Private Limited
15. \*\*Espo Developers Private Limited
16. \*\*Mendell Developers Private Limited
17. \*\*Caspar Developers Private Limited
18. \*\*Fermina Developers Private Limited
19. \*\*Halima Developers Private Limited
20. \*\*Winston Developers Private Limited
21. \*\*Reveka Developers Private Limited
22. \*\*Daren Developers Private Limited
23. \*\*Avenio Developers Private Limited
24. \*\*Brock Developers Private Limited
25. \*\*Stedman Developers Private Limited
26. \*\*Shivganesh Buildtech Private Limited#
27. \*\*Sanskar Buildtech Private Limited
28. \*\*Nakshatra Buildcon Private Limited
29. \*\*Vatika Infratech Private Limited
30. \*\*Magnet Developers Private Limited
31. \*\*Vatika Education Services Private Limited
32. \*\*Vatika Infracon Private Limited
33. \*\*Payton Developers Private Limited

34. \*\*Calder Developers Private Limited
35. \*\*Minorca Developers Private Limited
36. \*\*Galina Developers Private Limited
37. \*\*Metis Developers Private Limited
38. \*\*Pedro Developers Private Limited
39. \*\*Bioko Developers Private Limited (formerly Dale Developers Private Limited)

\*Wholly owned subsidiaries

\*\* Wholly owned subsidiaries through group companies.

\*\*\* Wholly owned subsidiaries through its nominee.

As per the requirements of the provisions of section 212 of Companies Act, 1956, the Annual Report of all the subsidiary companies of the Company existing as on March 31, 2014 will be attached to the Balance Sheet of the Company.

A Statement pursuant to the provisions of section 212(3) of the Companies Act, 1956 is enclosed as **Annexure A** and forms integral part of this Report.

## DIRECTORS

As on the date of this report, the Board of Directors consists of following directors:

Mr. Anil Bhalla	Chairman and Whole Time Director
Mr. Gautam Bhalla	Managing Director
Mr. Gaurav Bhalla	Director
Mr. Alok Sama	Director
Mr. Jonathan Richard Vanica	Director

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Alok Sama, Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

## **AUDIT COMMITTEE**

As on the date of this report the Audit Committee comprises of three (3) directors out of which two (2) are non executive directors viz. Mr. Gaurav Bhalla & Mr. Jonathan Richard Vanica and one executive director viz. Mr. Gautam Bhalla.

## **AUDITORS AND AUDITORS' REPORT**

The Statutory Auditors, M/s Walker, Chandniok & Co LLP, (formerly Walker Chandniok & Co) Chartered Accountants, New Delhi, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Statutory Auditors have forwarded a certificate to the Company stating that their re-appointment, if made, will be in accordance with the limits prescribed under section 224 (1B) of the Companies Act 1956.

The Auditor's observations and the Notes to Accounts referred therein are self-explanatory.

## **INTERNAL CONTROLS AND THEIR ADEQUACY**

Your Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and those transactions are authorized, recorded and reported correctly and adequately.

The Company's internal controls are supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures. The Company has appointed M/s Felix Advisory Private Limited, Chartered Accountants, as Internal Auditors of the Company. The Internal Auditors submit their report to Audit Committee from time to time for its discussion and necessary action. The internal control is designed to ensure that financial and other records & processes are reliable for preparing financial information and for maintaining accountability of assets. All the financial systems are also reviewed by the Board of the Company.

## **COST AUDITORS**

As per the applicable provisions, Gurvinder Chopra & Co. Cost Accountants had been appointed as the Cost Auditors of the Company for the FY 2013-14.

Pursuant to the provisions of Section 233B and other applicable provisions of the Companies Act, 1956, M/s. Gurvinder Chopra & Co. Cost Accountants (firm registration no. 100260), have been re-appointed as Cost Auditors of the Company for FY 2014-15.

The due date of filing the Cost Compliance Report for FY 2013-14 is September 30, 2014 and the same shall be filed on or before the due date. The due date of filing cost compliance report for FY 2012-2013 was September 30, 2013 and the same was filed on 30<sup>th</sup> September, 2013.

## **PARTICULARS OF EMPLOYEES**

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 (As Amended) the names and other particulars of employees are set out in the **Annexure B** to the Directors' Report.

The employees of the Company have contributed most significantly to the growth and development and have been the cornerstone of its success. The numbers of employees as on March 31, 2014 were 458 as compared to 457 in the previous year.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

The particulars required under provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, to the extent applicable to the Company are as follows:

### **A. Conservation of Energy and Technological Absorption**

The information relating to Conservation of Energy and Technology Absorption as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not applicable to your Company.

### **B. Foreign Exchange Earnings and outgo**

Your company is not engaged in any primary export business. However, your Company participates in various fairs/exhibitions held in various countries to promote its product to international customers.

The Foreign exchange earnings and outgo (FOB basis) of the Company is as follows:

(Figures Rs. in Lacs)

<b>Particulars</b>	<b>Current Year (2013-2014)</b>	<b>Previous Year (2012-2013)</b>
Earnings	128.60	254.45
Outgo*	733.45	309.69

\*Expenditures in foreign exchange are on accrual basis.

## **ACKNOWLEDGEMENT**

The Board acknowledges with gratitude the co-operation and assistance provided to your Company by its bankers, financial institutions, government as well as non-government agencies. Your Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth. The Board also wishes to place on record its appreciation to the contribution made by employees of the Company in the continued success of the Company.

**For and on behalf of the Board of Directors of  
Vatika Limited**

Date: 14<sup>th</sup> August, 2014

Place: Gurgaon

**Sd/-  
Gautam Bhalla  
(Managing Director)  
DIN 00005043**

**Sd/-  
Gaurav Bhalla  
(Director)  
DIN 00005060**

**Statement under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report for the year ended March 31, 2014**

I. \*Details of employees who were employed throughout the year and were in receipt of remuneration aggregating Rs. 60.00 Lacs per annum or Rs. 5.00 Lacs per month or more:-

S No.	Name	Age	Qualifications	Experience (in yrs.)	Particulars of present employment			%age of Equity Shares held	Particulars of last employment
					Date of commencement of employment	Designation / Nature of Duties	Remuneration Received (in Rs.)		
1	Mr. Anil Bhalla	65	M.A.	28	01.04.2012	Chairman cum Whole-time Director	2,20,53,655/-	56.96%	N.A.
2	Mr. Kangkan Chakraborty	55	B. Tech. (Civil)	33	05.09.2011	President (Projects)	68,29,929/-	NIL	Consultant with M/s Delhi International Airport Pvt. Ltd.

II. There were no employees who was employed for a part of the financial year and was in receipt of remuneration for any part of the year aggregating Rs. 5,00,000/- per month or more.

III. There were no employees who were employed throughout this financial year or part thereof and were in receipt of remuneration which, in the aggregate, or as the case may be, at the rate which in the aggregate, is in excess of that drawn by the managing director, or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than two per cent, of the equity shares of the Company.

*\*Managing Director is not the employee of the Company – In reply to a query, the Department of Company Affairs has expressed its view that a managing director is not an employee within the meaning of sub-section (2A) of section 217 [Letter sent to Mysore Kirloskar Ltd. to their query dated 11-11-1975]. During the year under report, Mr. Gautam Bhalla was Managing Director of the Company.*

**For and on behalf of the Board of Directors of  
Vatika Limited**

Date: 14<sup>th</sup> August, 2014  
Place: Gurgaon

Sd/-  
**Gautam Bhalla**  
(Managing Director)  
DIN 00005043

Sd-  
**Gaurav Bhalla**  
(Director)  
DIN 00005060

Financial Statements and Auditors' Report

**Vatika Limited**

March 31, 2014

**Walker Chandiok & Co LLP**

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
21st Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurgaon 122002  
India

## Independent Auditors' Report

To the Members of Vatika Limited

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## Report on the Financial Statements

1. We have audited the accompanying financial statements of Vatika Limited, ("the Company"), which comprises the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



# Walker Chandiook & Co LLP

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us the 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:
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
  - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

## Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
- we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - the financial statements dealt with by this report are in agreement with the books of account;
  - in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
  - on the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act

*Walker Chandiook & Co LLP*

For **Walker Chandiook & Co LLP**

*(formerly Walker, Chandiook & Co)*

Chartered Accountants

Firm Registration No.: 001076N/N500013

*Ashish Gupta*  
per **Ashish Gupta**  
Partner  
Membership No.: 504662



**Place:** Gurgaon

**Date:** August 14, 2014

## Annexure to the Independent Auditors' Report of even date to the members of Vatika Limited, on the financial statements for the year ended March 31, 2014

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The inventory includes land, completed buildings, projects in progress, construction and development material and development rights in identified land. Physical verification of inventory (except stocks represented by development rights), have been conducted at reasonable intervals by the management. In our opinion, the frequency of verification is reasonable.
  - (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.
- (iii) (a) The Company has granted unsecured loan to one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is Rs. 34,204.62 lacs and the year-end balance is Rs. 31,033.67 lacs.
  - (b) In respect of interest free loans granted, the principal amounts are repayable on demand and the terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
  - (c) In respect of interest free loan granted, the principal amount is repayable on demand and since the repayment of such loan has not been demanded, in our opinion, repayment of the principal amount is regular.
  - (d) There is no overdue amount in respect of loan granted to such party.
  - (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.



## Annexure to the Independent Auditors' Report of even date to the members of Vatika Limited, on the financial statements for the year ended March 31, 2014

- (iv) In our opinion, 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 sale of goods and services. With respect to land/development rights purchase for development, for which owing to the unique and specialized nature of individual transactions, suitable alternative sources do not exist for obtaining comparative quotations. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975, as applicable, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's real estate operations and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) 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, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. *Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:*



# Walker Chandiook & Co LLP

Annexure to the Independent Auditors' Report of even date to the members of Vatika Limited, on the financial statements for the year ended March 31, 2014

Name of the statute	Nature of the dues	Amount (Rs. in lacs) (excluding interest)	Period to which the amount relates	Due Date	Date of Payment
Haryana Development and Regulation of Urban Areas Act, 1975	External Development Charges	964.35	2010-11	September 13, 2013	June 16, 2014
Haryana Development and Regulation of Urban Areas Act, 1975	External Development Charges	6,279.14	2006-07 to 2013-14	Various dates as per agreed terms of license	Not yet paid
Haryana Development and Regulation of Urban Areas Act, 1975	Conversion Charges	431.83	2008-09	January 30, 2008	Not yet paid

- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute except for the amounts mentioned below:-

Name of the statute	Nature of the dues (excluding interest)	Amount (Rs. in lacs)	Amount paid under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	2.45	-	Assessment Year 1996-97	CIT (Appeals)
Income Tax Act, 1961	Income tax	597.18	129.24	Assessment Year 2003-04	High Court
Income Tax Act, 1961	Surcharge	0.63	-	Assessment Year 2001-02	Supreme Court
Income Tax Act, 1961	Income tax	260.25	232.09	Assessment Year 2003-04	CIT (Appeals)
Income Tax Act, 1961	Income tax	2.00	2.00	Assessment Year 2003-04	CIT (Appeals)
Income Tax Act, 1961	Income tax	29.61	-	Assessment Year 2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	2,621.73	-	Block assessment May 2003	High Court

# Walker Chandiook & Co LLP

Annexure to the Independent Auditors' Report of even date to the members of Vatika Limited, on the financial statements for the year ended March 31, 2014

Name of the statute	Nature of the dues (excluding interest)	Amount (Rs. in lacs)	Amount paid under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	8.87	-	Assessment Year 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	1,258.61	-	Assessment Year 2006-07	CIT (Appeals)
Income Tax Act, 1961	Income tax	1,405.78	235.38	Assessment Year 2008-09	CIT (Appeals)
Income Tax Act, 1961	Penalty	95.07	-	Assessment Year 2008-09	CIT (Appeals)
Income Tax Act, 1961	Income tax	7,681.28	5,501.77	Assessment Year 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income tax	4.83	-	Assessment Year 2011-12	CIT (Appeals)
The Finance Act, 1994 and Service Tax Rules	Service tax	246.38	-	Financial Year 2003-04 to 2011-12	Customs Excise and Service Tax Appellate Tribunal, Delhi
The Haryana Value Added Tax Act, 2003	Value Added Tax	305.72	-	Financial Year 2007-08	High Court
The Haryana Value Added Tax Act, 2003	Value Added Tax	2,164.07	-	Financial Year 2010-11	High Court

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.



# Walker Chandiook & Co LLP

## Annexure to the Independent Auditors' Report of even date to the members of Vatika Limited, on the financial statements for the year ended March 31, 2014

- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

*Walker Chandiook & Co LLP*

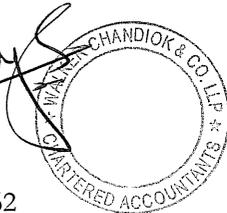
For **Walker Chandiook & Co LLP**

(formerly *Walker, Chandiook & Co*)

Chartered Accountants

Firm Registration No.: 001076N/N500013

*Ashish Gupta*  
per **Ashish Gupta**  
Partner  
Membership No.: 504662



**Place:** Gurgaon

**Date:** August 14, 2014

Vatika Limited  
Balance Sheet as at March 31, 2014

	Note	March 31, 2014	(Rs. in Lacs) March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,387.59	1,387.59
Reserves and surplus	4	101,019.63	95,114.73
		<b>102,407.22</b>	<b>96,502.32</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	202,855.09	139,294.49
Other long-term liabilities	6	304.78	24.19
Long-term provisions	7	349.35	334.18
		<b>203,509.22</b>	<b>139,652.86</b>
<b>Current liabilities</b>			
Short-term borrowings	8	3,000.00	4,900.00
Trade payables		19,865.69	22,442.43
Other current liabilities	9	349,319.71	291,877.06
Short-term provisions	7	17,201.47	5,042.06
		<b>389,386.87</b>	<b>324,261.55</b>
		<b>695,303.31</b>	<b>560,416.73</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10(a)	3,552.79	3,637.56
Intangible assets	10(b)	3.65	4.11
Capital work-in-progress		1,150.15	97.02
Non-current investments	11	25,663.11	24,690.09
Deferred tax assets (net)	12	3,310.18	2,460.78
Long-term loans and advances	13	63,767.28	43,106.97
Other non-current assets	14	3,996.19	3,985.31
		<b>101,443.35</b>	<b>77,981.84</b>
<b>Current assets</b>			
Inventories	15	276,562.20	261,577.76
Trade receivables	16	11,135.09	14,610.57
Cash and bank balances	17	9,481.04	7,257.04
Short-term loans and advances	18	174,309.47	134,483.88
Other current assets	19	122,372.16	64,505.64
		<b>593,859.96</b>	<b>482,434.89</b>
		<b>695,303.31</b>	<b>560,416.73</b>

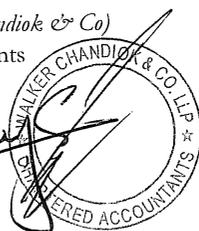
Notes 1 to 46 form an integral part of these financial statements

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

*Walker Chandniok & Co*  
For Walker Chandniok & Co LLP

(formerly Walker, Chandniok & Co)  
Chartered Accountants

*Ashish Gupta*  
per Ashish Gupta  
Partner



Place: Gurgaon  
Date: August 14, 2014

For and on behalf of Board of Directors

*Gaurav Arora*  
Gaurav Arora  
Company Secretary  
Membership No.: F6350

*Gautam Bhalla*  
Gautam Bhalla  
Managing Director  
DIN: 00005043

*Gaurav Bhalla*  
Gaurav Bhalla  
Director  
DIN: 00005060

Vatika Limited  
Statement of Profit and Loss for the year ended March 31, 2014

	Note	March 31, 2014	(Rs. in Lacs) March 31, 2013
<b>Income:</b>			
Revenue from operations	20	164,845.89	117,526.19
Other income	21	2,520.84	928.62
<b>Total revenue</b>		<b>167,366.73</b>	<b>118,454.81</b>
<b>Expenses:</b>			
Cost of revenue	22	123,200.43	84,381.72
Employee benefits expense	23	1,709.69	1,491.35
Finance cost	24	24,637.25	17,369.90
Depreciation and amortization expense	10(a)&(b)	326.21	316.13
Other expenses	25	8,367.88	6,730.50
<b>Total expenses</b>		<b>158,241.46</b>	<b>110,289.60</b>
<b>Profit before tax</b>		<b>9,125.27</b>	<b>8,165.21</b>
<b>Tax expense:</b>			
- Current tax		4,069.77	4,177.68
- Deferred tax		(849.40)	(1,402.88)
		3,220.37	2,774.80
<b>Profit for the year</b>		<b>5,904.90</b>	<b>5,390.41</b>
<b>Earnings per share (Rs.)</b>			
	26		
- Basic earning per share		46.05	42.04
- Diluted earning per share		39.69	36.24

Notes 1 to 46 form an integral part of these financial statements

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

*Walker Chandniok & Co LLP*  
For Walker Chandniok & Co LLP  
(formerly Walker, Chandniok & Co)  
Chartered Accountants

For and on behalf of Board of Directors

*Ashish Gupta*  
per Ashish Gupta  
Partner



*Gaurav Arora*  
Gaurav Arora  
Company  
Secretary  
Membership No.: F6350

*Gautam Bhalla*  
Gautam Bhalla  
Managing  
Director  
DIN: 00005043

*Gaurav Bhalla*  
Gaurav Bhalla  
Director  
DIN: 00005060

Place: Gurgaon

Date: August 14, 2014

Vatika Limited

Cash Flow Statement for the year ended March 31, 2014

	March 31, 2014	(Rs. in Lacs) March 31, 2013
<b>Cash flows from operating activities</b>		
Net profit before tax	9,125.27	8,165.21
Adjustments for :		
Depreciation and amortization	326.21	316.13
Interest expense	24,572.47	17,345.78
Provision for expected costs	9,456.23	-
Provision for doubtful debts	142.79	-
Advances written off	2,504.70	235.13
Claims and contingencies	63.50	115.20
Rent equalisation reserve	(5.01)	(14.88)
Interest income	(806.74)	(309.57)
Profit on sale of fixed assets (net)	(5.48)	(12.47)
Provision for wealth tax	(0.04)	0.06
Profit on sale of investments (net)	(503.07)	(9.98)
Provisions for doubtful advances written back	(80.25)	-
Amounts written back	(462.33)	-
<b>Operating profit before working capital changes</b>	<b>44,328.25</b>	<b>25,830.61</b>
Decrease in trade receivables	3,332.69	6,573.34
Increase in loans and advances	(62,112.53)	(28,177.01)
Increase in other current assets	(57,694.83)	(28,426.79)
Increase in inventories	(14,984.44)	(58,138.92)
Increase in liabilities and provisions	34,916.14	91,087.89
Investments in deposits with banks under lien	(1,721.14)	(2,177.07)
<b>Cash flow from operations</b>	<b>(53,935.86)</b>	<b>6,572.04</b>
Taxes paid (net of refunds)	(1,628.18)	(3,236.38)
<b>Net cash flow from/(used in) operating activities - (A)</b>	<b>(55,564.04)</b>	<b>3,335.66</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets and capital work in progress	(1,391.52)	(322.83)
Proceeds from sale of fixed assets	32.07	43.80
Investments made during the year	(3,406.55)	(8,714.61)
Investments sold during the year	2,936.60	2,294.40
Investments in bank deposits (having original maturity of more than twelve months)	232.00	(307.00)
Interest received	517.06	185.80
<b>Net cash used in investing activities - (B)</b>	<b>(1,080.34)</b>	<b>(6,820.44)</b>
<b>Cash flow from financing activities</b>		
Repayments of short term borrowings (net)	(1,900.00)	(1,100.00)
Proceeds from long term borrowings	130,424.08	66,690.63
Repayments of long term borrowings	(47,087.50)	(43,777.15)
Interest paid	(24,164.44)	(17,317.47)
<b>Net cash flow from financing activities - (C)</b>	<b>57,272.14</b>	<b>4,496.01</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>627.76</b>	<b>1,011.23</b>



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Vatika Limited

Cash Flow Statement for the year ended March 31, 2014

(Rs. in Lacs)  
March 31, 2014      March 31, 2013

Cash and cash equivalents at beginning of the year  
Cash and cash equivalents at end of the year

6,433.59	5,422.36
7,061.35	6,433.59
<u>627.76</u>	<u>1,011.23</u>

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

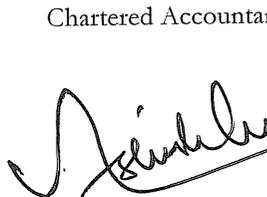
*Walker Chandiook & Co*

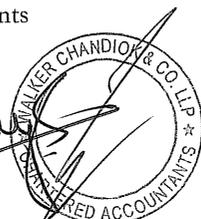
For Walker Chandiook & Co LLP

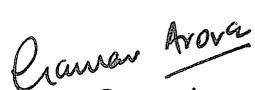
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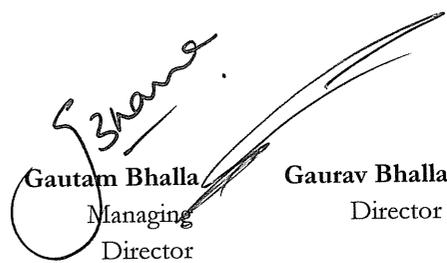
Chartered Accountants

For and on behalf of Board of Directors

  
per Ashish Gupta  
Partner



  
Gaurav Arora  
Company  
Secretary  
Membership No.: F6350

  
Gautam Bhalla  
Managing  
Director  
DIN: 00005043

Gaurav Bhalla  
Director  
DIN: 00005060

Place: Gurgaon

Date: August 14, 2014

## DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the Seventeenth Annual Report of your company together with the Audited Statement of Accounts for the year ended 31st March, 2015.

### Financial Highlights

Your Company's affairs & financial performance during the year as compared with previous year is summarized below:

Particulars	Amount	Amount
	(Rs. in lacs) 2014-15	(Rs. in lacs) 2013-14
Total Income	114,276.32	167,366.73
Less: Total Expenses	(110,700.77)	(158,241.46)
<b>Profit / (Loss) before tax</b>	<b>3575.55</b>	<b>9125.27</b>
Less: Provision for Tax:		
1. Current Tax	1576.12	4,069.77
2. MAT Credit Entitlement	(394.53)	-
3. Income tax earlier years	129.24	-
4. Deferred Tax	187.56	(849.40)
<b>Profit / (Loss) after Tax</b>	<b>2077.16</b>	<b>5904.90</b>

### Business Overview

Real Estate Sector, a key economic sector in terms of its direct GDP contribution and a key employment generator in terms of its forward and backward linkages with over 250 industries, is cyclical in nature and is primarily driven by consumer sentiments, monetary policy and overall economic outlook. FY 2014-15 faced continuing challenges for the Indian Economy including the real estate sector and a sluggish year in terms of economic growth, largely because of high interest rates, lower investment growth, inflation, regulatory uncertainty resulting in low GDP growth rate impacting sentiments and investment interest across businesses. After clear majority at center and government inclination to increase investment in real estate, this sector has potential to drive the demand in 2016.

Your Company is continuously maintaining its focus on project execution & delivery by optimal utilization of available resources, surplus asset sales, targeting mid segment housing markets to ensure sustained order book growth, continuing focus on enhancing the quality of service delivery to its customers and cost management across various functions. We believe our focused approach and large asset base will help us sustain and overcome the overall economic uncertainty in F.Y 2016-17.

### Dividend

No dividend was recommended by the Board of Directors of the Company for F.Y 2014-15.



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### **FIXED DEPOSITS**

The Company repaid in full the deposits accepted during F.Y. 2013-14 under the provisions of Companies Act, 1956. As on 31st March, 2015 no amount was outstanding under the above old scheme.

Further, the Company launched a new fixed deposit scheme on 19<sup>th</sup> February, 2015 under the provisions of Companies Act, 2013, details as under:

- a) Accepted during the year – Rs. 1,89,75,000/-
- b) Remained unpaid or unclaimed as at the end of the year- Nil
- c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year- Nil

### **Amounts Transferred to Reserves**

The company has transferred Rs 2077.16 lacs to its reserves during the year.

### **Debentures**

During the F.Y. 2014-15, the Company issued 10,750 Non Convertible Zero Coupon Debentures of face value of Rs. 10,00,000/- each. The above NCDs were also redeemed in the same financial year.

### **Subsidiaries, Joint Ventures and Associate Companies**

The Company had 50 subsidiaries as on March 31, 2015 as set out below:

1. \*Vatika Hotels Private Limited
2. \*SH Tech Park Developers Private Limited
3. \*Vatika Jaipur SEZ Developers Limited
4. \*Aspire Promoters Private Limited
5. \*Vatika Dwellers Private Limited
6. \*Famous Dwellers Private Limited
7. \*Valterna Promoters and Developers Private Limited
8. \*Vatika IT Parks Private Limited
9. \*Vatika Sovereign Park Private Limited
10. Gates Developers Private Limited
11. #Trishul Propbuild Limited
12. \*Vatika Overseas Limited
13. \*\*Vatika Seven Elements Private Limited (Formerly Strong Infrabuild Private Limited)
14. \*\*Blossom Properties Private Limited
15. \*\*Crazy Properties Private Limited
16. \*\*Pegasus Infrastructure Private Limited
17. \*\*Sahar Land and Housing Private Limited
18. \*\*Espo Developers Private Limited
19. \*\*Mendell Developers Private Limited
20. \*\*Caspar Developers Private Limited
21. \*\*Fermina Developers Private Limited
22. \*\*Winston Developers Private Limited
23. \*\*Avenio Developers Private Limited
24. \*\*Brock Developers Private Limited
25. \*\*Stedman Developers Private Limited
26. \*\*Vatika One India Next Private Limited (formerly Shivganesh Buildtech Private Limited)
27. \*\*Sanskar Buildtech Private Limited
28. \*\*Nakshatra Buildcon Private Limited
29. \*\*Vatika Infratech Private Limited
30. \*\*Magnet Developers Private Limited
31. \*\*Vatika Education Services Private Limited
32. \*\*Vatika Infracon Private Limited
33. \*\*Payton Developers Private Limited
34. \*\*Vatika One on One Private Limited (formerly Calder Developers Private Limited)
35. \*\*Minorca Developers Private Limited
36. \*\*Galina Developers Private Limited
37. \*\*Metis Developers Private Limited
38. \*\*Pedro Developers Private Limited
39. \*\*Clara Developers Private Limited
40. \*\*Aster Promoters & Developers Private Limited
41. \*\*Eberta Developers Private Limited
42. \*\*Velte Developers Private Limited

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43. \*\*Antonius Developers Private Limited  
44. \*\*Pandora Builders Private Limited  
45. \*\*VLM Projects Private Limited  
46. Kepa Developers Private Limited  
47. ##Daren Developers Private Limited  
48. ##Halima Developers Private Limited  
49. ##Reveka Developers Private Limited  
50. ##Emilia Estates Private Limited

\*Wholly owned subsidiaries

\*\* Wholly owned subsidiaries through group companies.

# The Company is in the process of voluntary winding up.

## The Hon'ble High Court of Delhi approved the merger of Daren Developers Private Limited, Halima Developers Private Limited, Reveka Developers Private Limited, Emilia Estates Private Limited and Vatika Propbuild Private Limited with Lincoln Developers Private Limited on 16<sup>th</sup> September, 2015. However, Copy of Formal Order is awaited from Court.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided in AOC-1, attached as Annexure-1 to this Report.

#### **Significant and Material orders passed by the Regulators or Courts or Tribunals**

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operation.

- a) The Company's registered office shifted from State of New Delhi to State of Haryana vide order passed by Regional Director on 13<sup>th</sup> February, 2015 and consequent approval by the Registrar of Companies on 9<sup>th</sup> March, 2015 and CIN of the Company changed to U74899HR1998PLC054821.
- b) The Company has decided to sell its investment of 44,400 equity shares of Rs. 10/- each held in Vatika Sovereign Park Private Limited at a price of Rs. 16,666 per share each aggregating consideration of Rs.7399.70 lacs to Famous Dwellers Private Limited and correspondingly, such transfer of shares took place on September 17, 2015.

#### **Details of Directors and Key Managerial Personnel**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Gaurav Bhalla, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

During the year under review, Ms. Deepa Sibal, was appointed as Women Director on the board of the Company under the provisions of Sec 149(1) of the Companies Act, 2013. Mr. Vineet Taing and Mr. Manu Raj Singh were appointed as Additional Independent Directors u/s 149 (4) on the board of the Company. Further Consequent upon resignation of Mr. Jonathan Richard Vanica, Mr. Som Krishna was appointed as Additional Director on 3<sup>rd</sup> August, 2015.

During the year under review, Mr. Raj Kumar Sahni was appointed as Chief Financial Officer of the Company as Key Managerial Personnel under section 203 of Companies Act, 2013.

#### **Auditors and Auditors Report**

M/s Walker Chandoik & Co.,LLP Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation or adverse remark.

#### **Internal Controls and their adequacy**

Your Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and those transactions are authorized, recorded and reported correctly and adequately.

(M)

The Company's internal controls are supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures. The Company has appointed M/s Felix Advisory Private Limited, Chartered Accountants, as Internal Auditors of the Company. The Internal Auditors submit their report to Audit Committee from time to time for its discussion and necessary action. The internal control is designed to ensure that financial and other records & processes are reliable for preparing financial information and for maintaining accountability of assets. All the financial systems are also reviewed by the Board of the Company.

**Cost Auditors**

As per the applicable provisions, Gurvinder Chopra & Co. Cost Accountants had been appointed as the Cost Auditors of the Company for the FY 2014-15.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 M/s. Gurvinder Chopra & Co. Cost Accountants (firm registration no. 100260), have been re-appointed as Cost Auditors of the Company for FY 2015-16.

**Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Abhishek Gupta & Associates, Company Secretaries in practice to undertake the Secretarial Audit of the Company for F.Y. 2014-15. The Report of the Secretarial Audit in MR-3 is annexed herewith as Annexure- 2

The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

**Declaration by Independent Director**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors be keeping in view the code of conduct prescribed under Schedule IV of Companies Act, 2013.

**Disclosure on Establishment of a Vigil Mechanism**

The Board of Directors of the Company in its board meeting held on 14<sup>th</sup> August, 2014 have established a vigil mechanism for directors and employees of the Company to report their concerns or grievances, if any.

The policy on vigil mechanism can also be accessed on the Company's employees portal (Vconnect).

**Directors Responsibility Statement**

Your directors state that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed and there are no material departures from the same.
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit /loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;

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- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Particulars of Employees and related disclosures**

The employees of the Company have contributed most significantly to the growth and development and have been the cornerstone of its success. The numbers of employees as on March 31, 2015 were 429 as compared to 458 in the previous year.

In terms of the provisions of Section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is annexed as Annexure-3

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **Changes in Share Capital**

During the Financial Year 2014-15, the authorized share capital of the Company has been increased from Rs. 51 crores divided into 4,80,00,000 equity shares of Rs. 10/- each and 30,00,000 preference shares of Rs. 10/- each to 65 crores divided into 6,00,00,000 equity shares of Rs. 10 each and 50,00,000 preference shares of Rs. 10/- each.

The paid up share capital of the Company has been increased from Rs.13,87,58,650 to Rs. 55,68,82,090.

#### **Extract of Annual Return**

Extract of Annual Return of the Company in format MGT -9, for the Financial Year 2014-15 has been annexed herewith as Annexure-4 to this Report.

#### **Number of Board Meetings during the Financial Year 2014 - 15**

During the Financial Year 2014-15, 19 (Nineteen) meetings of the Board of Directors were held during various dates.

#### **Committees of Board**

##### **Audit Committee**

During the F.Y 2014-15, Audit Committee met. on 14<sup>th</sup> August, 2014. All the recommendations made by the Audit Committee were accepted by the Board.

After induction of Independent Directors, the Audit Committee was reconstituted. At present, Audit Committee comprises of Mr. Gautam Bhalla, Mr. Vineet Taing and Mr. Manu Raj Singh. During F.Y. 2015-16 till date 3 meetings of the Committee has been held.

##### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Mr. Gautam Bhalla, Mr. Gaurav Bhalla and Mr. Manu Raj Singh.

The Committee was constituted on 31<sup>st</sup> March, 2015 . A meeting of Nomination and Remuneration Committee was held on 31<sup>st</sup> March, 2015. Till date 2 meetings of the Committee has taken place.

Company has also devised a policy for Directors appointment and remuneration and the criteria for determining the qualifications, performance, positive attributes and independence of the Directors.

##### **Corporate Social Responsibility (CSR) Committee**

The CSR Committee comprises of Mr. Anil Bhalla, Mr. Gautam Bhalla and Mr. Vineet Taing.



The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

During the year, the Company has spent Rs 161.58 *Lakhs* (2% of the average net profits of last three financial years) on CSR activities.

The Committee was constituted on 31<sup>st</sup> March, 2015 and one meeting of the Committee was held on 31<sup>st</sup> March, 2015 itself. Till date 2 meetings of the Committee has taken place.

The Annual Report on CSR activities is annexed herewith as Annexure- 5 covering the policy developed & implemented by the Company on CSR initiatives taken during the year.

#### **Borrowing and Investment Committee**

The Borrowing and Investment Committee comprises of Mr. Anil Bhalla and Mr. Gautam Bhalla as members. During the financial year 2014-15, 24 Meetings of the Committee were held.

#### **Particulars of Contracts or Arrangements with Related Parties**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2014-15 in the prescribed format, AOC 2 has been annexed as annexure- 6.with the report.

#### **Particulars of Loans, Guarantee or Investments**

The Particulars of Loans received or given, Guarantees given or received or investments made are recorded & accounted for and disclosed in the Financial statements for the year ended on 31<sup>st</sup> March 2015. The Company has complied with the requirements of Section 186 of the Companies Act, 2013.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

##### **A. Conservation of energy:**

- a) the Company is not engaged in any manufacturing activity and hence, no reporting on the conservation of energy is required;
- b) further, the company has not made any additional investment and there are no existing proposals for reduction of energy consumption for reasons mentioned in point (a);
- c) for reasons mentioned in point (a), impact of energy conservation measures cannot be ascertained;
- d) disclosures on total energy consumption and energy consumption per unit of production cannot be made as company is not engaged in any manufacturing activity.

##### **B. Technology absorption:**

- (a) the Company has not entered into any agreement for technology absorption. Hence, reporting on the same cannot be made.

##### **C. Foreign exchange earnings and outgo:**

- a) during the period under review, there were no activities relating to exports,
- b) The Foreign exchange earnings and outgo (FOB basis) of the Company is as follows:

Particulars	(Figures in lakhs)	
	Current Year (2014-2015)	Previous Year (2013-2014)
Earnings	89.49	128.60
Outgo*	504.66	733.45

\*Expenditures in foreign exchange are on accrual basis.

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Acknowledgment

There have been no material changes and commitments which affects the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the Report.

Your company has developed and implemented a Risk Management Policies in various functional departments which covers identification of elements of risk, if any, which according to the Board of Directors is necessary for prevention of operations of the Company.

The Directors express their sincere appreciation to the valued customers, bankers and clients for their support

For and on behalf of the Board of Directors of  
Vatika Limited

*an*  
Date: 21<sup>st</sup> September, 2015  
Place: Gurgaon

  
Gaurav Bhalla  
Director  
DIN: 00005060  
Address : Farm No 4, Hyde  
Park  
Sultanpur, Mehrauli,  
New Delhi - 110030

  
Gautam Bhalla  
Managing Director  
DIN: 00005043  
Address: Farm No 4,  
Hyde Park, Sultanpur,  
Mehrauli, New Delhi -  
110030

Financial Statements and Auditors' Report

**Vatika Limited**

March 31, 2015

**Walker Chandiok & Co LLP**

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
21st Floor, DLF Square  
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## Independent Auditor's Report

To the Members of Vatika Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Vatika Limited ("the Company"), 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 the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. 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.



6. 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

9. We draw attention to Note 31(d) to the financial statements which describes the uncertainty relating to the outcome of certain income tax related matters pending in litigation with courts/appellate authorities. Pending the final outcome of these matters, which is presently unascertainable, no adjustments have been made in the financial statements. Our opinion is not qualified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements 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 (as amended);



# Walker Chandiook & Co LLP

- e. on the basis of the 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 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f. 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. as detailed in Note 31 (b), (c), (d) and (e) to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*Walker Chandiook & Co*

For **Walker Chandiook & Co LLP**

*(Formerly Walker, Chandiook & Co)*

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Ashish Gupta*

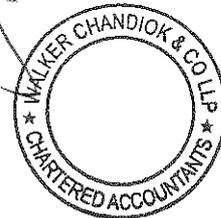
per **Ashish Gupta**

Partner

Membership No.: 504662

**Place:** Gurgaon

**Date:** September 21, 2015



# Walker ChandioK & Co LLP

## Annexure to the Independent Auditor's Report of even date to the members of Vatika Limited, on the financial statements for the year ended March 31, 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory represented by development rights. For inventory represented by development rights at the year-end, written confirmations have been obtained by the management.
- (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.
- (iii) The Company has granted interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) the principal amounts are repayable on demand in accordance with such terms and conditions, in our opinion, receipt of the principal amount is regular; and
  - (b) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, 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. With respect to land/development rights purchase for development, for which owing to the unique and specialized nature of individual transactions, suitable alternative sources do not exist for obtaining comparative quotations. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.



**Annexure to the Independent Auditor's Report of even date to the members of Vatika Limited, on the financial statements for the year ended March 31, 2015**

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) 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, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues (excluding interest)	Amount (Rs. in lacs)	Period to which the amount relates	Due Date	Date of Payment
Haryana Development and Regulation of Urban Areas Act, 1975	External Development Charges	6,901.41	2006-07 to 2014-15	Various dates as per agreed terms of license	Not yet paid
Haryana Development and Regulation of Urban Areas Act, 1975	Internal Development Charges	933.16	2014-15	September 12, 2014	July 10, 2015

- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues (including interest and penalty)	Amount (Rs. in lacs)	Amount Paid Under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	2.45	-	Assessment Year 1996-97	CIT (Appeals)
Income Tax Act, 1961	Income tax	262.25	262.25	Assessment Year 2003-04	CIT (Appeals)
Income Tax Act, 1961	Income tax	467.94	-	Block assessment May 2003	Honourable High Court at Delhi



Annexure to the Independent Auditor's Report of even date to the members of Vatika Limited, on the financial statements for the year ended March 31, 2015

Name of the statute	Nature of dues (including interest and penalty)	Amount (Rs. in lacs)	Amount Paid Under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	2,621.73	-	Block assessment May 2003	Honourable High Court at Delhi
Income Tax Act, 1961	Income tax	8.87	-	Assessment Year 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	1,258.61	1,258.61	Assessment Year 2006-07	CIT (Appeals)
Income Tax Act, 1961	Income tax	1,090.83	235.38	Assessment Year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Penalty	95.07	95.07	Assessment Year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	7,681.28	4,557.80	Assessment Year 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	51.97	-	Assessment Year 2007-08	CIT (Appeals)
Income Tax Act, 1961	Income tax*	2,343.41	-	Assessment Year 2007-08	CIT (Appeals)
Income Tax Act, 1961	Income tax*	2,184.92	-	Assessment Year 2008-09	CIT (Appeals)
Income Tax Act, 1961	Income tax*	2,015.81	-	Assessment Year 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income tax*	4,243.33	-	Assessment Year 2010-11	CIT (Appeals)
Income Tax Act, 1961	Income tax*	1,161.86	-	Assessment Year 2013-14	CIT (Appeals)
The Finance Act, 1994 and Service Tax Rules	Service tax	246.38	-	Financial Year 2003-04 to 2011-12	Customs Excise and Service Tax Appellate Tribunal, Delhi

\*The Company has received notices of demand under section 156 of the Income Tax Act, 1961 wherein total demand of Rs. 11,949.33 lacs has been raised on the Company. However the management hasn't accepted such demand and has filed appeals in respect of these demands with the Commission of Income Tax (Appeals) subsequent to year end. Accordingly, the amount has been considered to have been disputed.



# Walker Chandiook & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of Vatika Limited, on the financial statements for the year ended March 31, 2015

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
- (x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

*Walker Chandiook & Co*  
For Walker Chandiook & Co LLP  
(Formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Ashish Gupta*

per Ashish Gupta  
Partner  
Membership No.: 504662

Place: Gurgaon  
Date: September 21, 2015



Vatika Limited

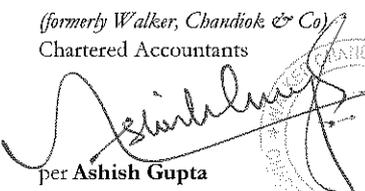
Balance Sheet as at March 31, 2015

(All amounts are in Indian Rupees in lacs, unless otherwise specified)

	Note	March 31, 2015	March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share capital	3	5,568.82	1,387.59
Reserves and surplus	4	98,915.55	101,019.62
		<b>104,484.37</b>	<b>102,407.21</b>
<b>2 Non-current liabilities</b>			
Long-term borrowings	5	162,522.85	133,268.89
Other long-term liabilities	6	260.17	304.78
Long-term provisions	7	618.03	349.35
		<b>163,401.05</b>	<b>133,923.02</b>
<b>3 Current liabilities</b>			
Short-term borrowings	8	160,998.41	103,643.33
Trade payables	9	34,467.31	19,865.69
Other current liabilities	10	308,141.61	318,262.59
Short-term provisions	7	16,741.42	17,201.46
		<b>520,348.75</b>	<b>458,973.07</b>
		<b>788,234.17</b>	<b>695,303.30</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 Fixed assets</b>			
Tangible assets	11(a)	3,501.31	3,552.79
Intangible assets	11(b)	12.90	3.65
Capital work-in-progress		2,718.74	1,150.14
Non-current investments	12	42,863.90	25,663.11
Deferred tax assets (net)	13	3,122.62	3,310.18
Long-term loans and advances	14	32,822.06	60,062.74
Other non-current assets	15	4,979.15	3,996.19
		<b>90,020.68</b>	<b>97,738.80</b>
<b>2 Current assets</b>			
Current investments	16	7,701.86	-
Inventories	17	309,077.96	276,562.20
Trade receivables	18	35,317.30	11,135.09
Cash and bank balances	19	15,225.41	9,481.04
Short-term loans and advances	20	219,466.68	178,014.01
Other current assets	21	111,424.28	122,372.16
		<b>698,213.49</b>	<b>597,564.50</b>
		<b>788,234.17</b>	<b>695,303.30</b>

The accompanying notes form an integral part of these financial statements.

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

*Walker Chandiook & Co*  
 For Walker Chandiook & Co LLP  
 (formerly Walker, Chandiook & Co)  
 Chartered Accountants  
  
 per Ashish Gupta  
 Partner  


For and on behalf of Board of Directors

*Gautam Bhalla*  
 Gautam Bhalla  
 Managing Director  
 DIN: 00005043

*Gaurav Bhalla*  
 Gaurav Bhalla  
 Director  
 DIN: 00005060

*Raj Kumar Sahni*  
 Raj Kumar Sahni  
 Chief Financial Officer

*Gaurav Arora*  
 Gaurav Arora  
 Company Secretary  
 Membership No.: F6350

Place: Gurgaon

Date: September 21, 2015

**Vatika Limited****Statement of Profit and Loss for the year ended March 31, 2015***(All amounts are in Indian Rupees in lacs, unless otherwise specified)*

	Note	March 31, 2015	March 31, 2014
<b>Income:</b>			
Revenue from operations	22	110,994.54	164,845.89
Other income	23	3,281.78	2,520.84
<b>Total revenue</b>		<b>114,276.32</b>	<b>167,366.73</b>
<b>Expenses:</b>			
Cost of revenue	24	66,803.82	123,200.43
Employee benefits expense	25	1,947.47	1,709.69
Finance cost	26	32,126.59	24,637.25
Depreciation and amortization expense	11(a)&(b)	447.81	326.21
Other expenses	27	9,375.08	8,367.88
<b>Total expenses</b>		<b>110,700.77</b>	<b>158,241.46</b>
<b>Profit before tax</b>		<b>3,575.55</b>	<b>9,125.26</b>
<b>Tax expense:</b>			
- Current tax		1,576.12	4,069.77
- MAT credit entitlement		(394.53)	-
- Income tax earlier years		129.24	-
- Deferred tax		187.56	(849.40)
		1,498.39	3,220.37
<b>Profit for the year</b>		<b>2,077.16</b>	<b>5,904.89</b>
<b>Earnings per share (Rs.)</b>			
	28		
- Basic earning per share		4.11	12.30
- Diluted earning per share		4.11	10.60

The accompanying notes form an integral part of these financial statements.

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

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

*Ashish Gupta*  
per Ashish Gupta  
Partner

For and on behalf of Board of Directors

*Gautam Bhalla*  
Gautam Bhalla  
Managing Director  
DIN: 00005043

*Gaurav Bhalla*  
Gaurav Bhalla  
Director  
DIN: 00005060

Place: Gurgaon

Date: September 21, 2015

*Raj Kumar Sahni*  
Raj Kumar Sahni  
Chief Financial Officer

*Gaurav Arora*  
Gaurav Arora  
Company Secretary  
Membership No.: F6350

Vatika Limited

Cash Flow Statement for the year ended March 31, 2015

(All amounts are in Indian Rupees in lacs, unless otherwise specified)

	March 31, 2015	March 31, 2014
<b>Cash flows from operating activities</b>		
Net profit before tax	3,575.55	9,125.26
Adjustments for :		
Depreciation and amortization	447.81	326.21
Interest expense	32,070.99	24,572.47
Provision for expected costs	2.44	9,456.23
Provision for doubtful advances and receivables	2,400.00	142.79
Advances written off	4.89	2,504.70
Claims and contingencies	227.10	63.50
Rent equalisation reserve	(67.35)	(5.01)
Interest income	(882.06)	(806.74)
Profit on sale of fixed assets (net)	(2.12)	(5.48)
Provision for wealth tax	(0.02)	(0.04)
Profit on sale of investments (net)	(41.56)	(503.07)
Provisions for doubtful advances written back	-	(80.25)
Amounts written back	(116.98)	(462.33)
<b>Operating profit before working capital changes</b>	<b>37,618.69</b>	<b>44,328.24</b>
(Increase)/decrease in trade receivables	(26,582.21)	3,332.69
Increase in loans and advances	(13,458.70)	(62,112.53)
Decrease/(increase) in other current assets	9,982.51	(57,694.83)
Increase in inventories	(32,515.75)	(14,984.44)
Increase in liabilities and provisions	(9,800.78)	34,916.14
Increase in investments in deposits with banks under lien	(514.77)	(1,721.14)
<b>Cash used in operations</b>	<b>(35,271.01)</b>	<b>(53,935.86)</b>
Taxes paid (net of refunds)	(2,476.59)	(1,628.18)
<b>Net cash used in operating activities - (A)</b>	<b>(37,747.60)</b>	<b>(55,564.05)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets and capital work in progress	(1,923.50)	(1,391.52)
Proceeds from sale of fixed assets	13.44	32.07
Investments made during the year	(26,679.53)	(3,406.55)
Investments sold during the year	1,818.42	2,936.60
Investments in bank deposits (having original maturity of more than twelve months)	61.00	232.00
Interest received	1,046.90	517.06
<b>Net cash used in investing activities - (B)</b>	<b>(25,663.27)</b>	<b>(1,080.34)</b>
<b>Cash flow from financing activities</b>		
Proceeds/(repayments) of short term borrowings (net)	5,641.74	(1,900.00)
Proceeds from long term borrowings	320,553.81	130,424.08
Repayments of long term borrowings	(225,193.34)	(47,087.50)
Interest paid	(32,118.32)	(24,164.44)
<b>Net cash flow from financing activities - (C)</b>	<b>68,883.89</b>	<b>57,272.14</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>5,473.02</b>	<b>627.76</b>



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Vatika Limited

Cash Flow Statement for the year ended March 31, 2015

(All amounts are in Indian Rupees in lacs, unless otherwise specified)

	March 31, 2015	March 31, 2014
Cash and cash equivalents at beginning of the year	7,061.35	6,433.59
Cash and cash equivalents at end of the year (refer note 19)	<u>12,534.37</u>	<u>7,061.35</u>
	<u>5,473.02</u>	<u>627.76</u>

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

*Walker Chandiook & Co*

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

*Ashish Gupta*  
per Ashish Gupta  
Partner



For and on behalf of Board of Directors

*Gautam Bhalla*  
Gautam Bhalla  
Managing Director  
DIN: 00005043

*Gaurav Bhalla*  
Gaurav Bhalla  
Director  
DIN: 00005060

Place: Gurgaon

Date: September 21, 2015

*Raj Kumar Sahni*  
Raj Kumar Sahni  
Chief Financial Officer

*Gaurav Arora*  
Gaurav Arora  
Company Secretary  
Membership No.: F6350

**DIRECTORS' REPORT**

Dear Members,

The Board of Directors is pleased to present the Eighteenth Annual Report along with Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016

**Financial Performance**

The Consolidated Financial Performance of the Company for the financial year 2015-16 is summarized as under:

(Rs in lakhs)

Particulars	For the year ended 31.03.2016
Total Income	151,755.45
Less: Total Expenses	140,494.82
<b>Profit / (Loss) before tax</b>	
Less: Provision for Tax:	
1. Current Tax	886.15
2. MAT Credit Entitlement	(105.53)
3. Income tax earlier years	0.43
4. Deferred Tax earlier years	1102.41
5. Deferred Tax	(10.99)
6. Minority Interest	72.01
<b>Profit / (Loss) after Tax</b>	<b>9316.15</b>

**Business Overview**

Real Estate Sector, a key economic sector in terms of its direct GDP contribution and a key employment generator in terms of its forward and backward linkages with over 250 industries, is cyclical in nature and is primarily driven by consumer sentiments, monetary policy and overall economic outlook. After clear majority at center and government inclination to increase investment in real estate, this sector has potential to drive the demand in 2017-18.

Your Company posted a consolidated total income of Rs 151,755.45 lakhs and consolidated profit after tax of Rs 9316.15 lakhs during the year ended March 31, 2016.

Despite the current uncertainties and challenges in the Real Estate environment, the Company is continuously maintaining its focus on project execution & delivery by optimal utilization of available resources, surplus asset sales, targeting mid segment housing markets to ensure sustained order book growth, continuing focus on enhancing the quality of service delivery to its customers and cost management across various functions. We believe our focused approach and large asset base will help us sustain and overcome the overall economic uncertainty in F.Y 2016-17/2017-18 and for future years to come.

**DIVIDEND**

During the year under review, no dividend was recommended by the Board of Directors of Vatika Limited for F.Y 2015-16.

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## **SHARE CAPITAL**

The paid up equity share capital of Vatika Limited as at March 31, 2016 stood at Rs 5,56,882,090.

## **Subsidiaries, Joint Ventures and Associate Companies**

Pursuant to first proviso to Section 129(3) of the Companies Act, 2013 ("the Act"), a statement, containing salient features of financial statements of Company's subsidiaries, joint ventures and associates (in Form AOC-1), is attached to the financial statements as **Annexure-1**. The said statement describes the performance and financial position of each of Company's subsidiaries, joint ventures and associates.

The Company had 43 subsidiaries as on March 31, 2016 as set out below:

1. \*Vatika Hotels Private Limited
2. \*SH Tech Park Developers Private Limited
3. \*Vatika Jaipur SEZ Developers Limited
4. \*Aspire Promoters Private Limited
5. \*Famous Dwellers Private Limited
6. \*Valterna Promoters and Developers Private Limited
7. \*Vatika IT Parks Private Limited
8. \*\*\*Vatika Sovereign Park Private Limited
9. \*Gates Developers Private Limited
10. #Trishul Propbuild Limited
- 11\*Vatika Overseas Limited
12. \*\*\*Vatika Seven Elements Private Limited
13. \*\*Blossom Properties Private Limited
14. \*\*Crazy Properties Private Limited
15. \*\*Pegasus Infrastructure Private Limited
16. \*\*Sahar Land and Housing Private Limited
17. \*\*Espo Developers Private Limited
18. \*\*Mendell Developers Private Limited
19. \*\*Caspar Developers Private Limited
20. \*\*Fermina Developers Private Limited
21. \*\*Winston Developers Private Limited
22. \*\*Avenio Developers Private Limited
23. \*\*Brock Developers Private Limited
24. \*\*Stedman Developers Private Limited
25. \*\*Vatika One India Next Private Limited
26. \*\*Sanskar Buildtech Private Limited
27. \*\*Nakshatra Buildcon Private Limited
28. \*\*Vatika Infratech Private Limited
29. \*\*Magnet Developers Private Limited
30. \*\*Vatika Infracon Private Limited
31. \*\*Payton Developers Private Limited
32. \*\*Vatika One on One Private Limited
33. \*\*Minorca Developers Private Limited
34. \*\*Galina Developers Private Limited
35. \*\*Metis Developers Private Limited
36. \*\*Pedro Developers Private Limited
37. \*\*Clara Developers Private Limited
38. \*\*Aster Promoters & Developers Private Limited
39. \*\*Eberta Developers Private Limited
40. \*\*Velte Developers Private Limited
41. \*\*Antonius Developers Private Limited
42. \*\*Pandora Builders Private Limited
43. \*\*VLM Projects Private Limited

\* Wholly owned subsidiaries

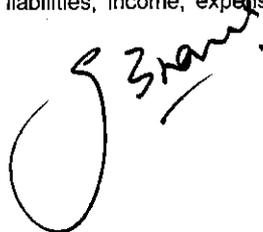
\*\* Wholly owned subsidiaries through group companies.

\*\*\* Jointly Controlled Entities

# The Company is in the process of voluntary winding up.

## **CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the Accounting Standard (AS) 21 on Consolidated Financial Statement, the Audited Consolidated Financial Statement for the year ended March 31, 2016 is provided in the Annual Report, which includes the assets, liabilities, income, expenses and other details of the Company and its subsidiary.



Pursuant to Section 129 of the Companies Act, 2013 (the Act) read with Rule 5 of the Companies (Account) Rules, 2014, a statement containing salient features of the financial statements of subsidiary in Form AOC -1 is attached as Annexure-1 to Consolidated Financial Statement forming part of this Annual Report.

#### **FIXED DEPOSITS**

During the year under review, your Company (Vatika Limited) has not accepted any deposits under Chapter V of the Act.

Further, the Company had launched a fixed deposit scheme on 19<sup>th</sup> February, 2015 under the provisions of Companies Act, 2013, details as under:

- a) Accepted during the year – NIL
- b) Remained unpaid or unclaimed as at the end of the year- 38.50 lakhs
- c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year-NIL

During the year under review Vatika Hotels Private Limited had launched Fixed Deposit scheme on 22.01.2016 under the provisions of Companies Act 2013

The details pertaining to the Fixed Deposits are as below:

- a) Accepted during the year – Rs. 67,950,000/- (From March, 2016 till September, 2016)
- b) Remained unpaid or unclaimed as at the end of the year- Nil
- c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year-Nil

#### **LOANS, GUARANTEES AND INVESTMENT**

All the investments made by the Company (Vatika Limited) were in accordance with the provisions of Section 186 of the Act and the rules made thereunder. The Board of Directors of the Company has duly constituted an Borrowing and Investment Committee that after proper evaluation and assessment of all the proposed investment proposals as per specified parameters, provides its recommendation to the Board. The details of all current and non-current investments of the Company are duly disclosed in the Notes to Standalone Financial Statements.

#### **Amounts Transferred to Reserves**

The company has made adjustments to Reserves & Surplus account during the year and accordingly Rs 54246.31 lakhs has been posted as Reserves & Surplus for the year.

#### **Debentures**

During the F.Y. 2015-16, Vatika Limited issued and allotted 12280 Secured, Unlisted, Unrated, Fully redeemable, Non Convertible Zero Coupon Debentures of face value of Rs. 10,00,000/- each issued at a discount of Rs 185667.75/- per debenture, aggregating issue value of Rs1228,00,00,000/-. *These debentures got redeemed on 28<sup>th</sup> March 2016 at a discount of Rs 1.49 lakhs per debenture.*

#### **Details of Directors and Key Managerial Personnel**

In accordance with the provisions of Section 152 of the Act and the rules made there under, Mr. Gautam Bhalla, Director (DIN:00005043), retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Directors recommend re-appointment of Mr Gautam Bhalla at the ensuing Annual General Meeting.

During the year under review the following Directors resigned from the Directorship of the Company (Vatika Limited):

1. Mr Alok Sama w.e.f 03.03.2016
2. Mr Jonathan Richard Vanica w.e.f 03.08.2015
3. Mr Som Krishna w.e.f 18.03.2016

As on date the Board of Vatika Limited comprises of Mr Anil Bhalla-Chairman of the Company, Mr Gautam Bhalla-Managing Director, Mr Gaurav Bhalla-Director, Ms Deepa Sibal-Women Director, Mr Raj Kumar Sahni-Chief Financial Officer and Mr Vineet Taing and Mr Manu Raj Singh-Independent Directors of the Company.

#### **Declaration by Independent Directors**

Independent Directors of the Company have declared to the Company (Vatika Limited) that they meet the criteria of independence as provided under Section 149(6) of the Act.

*P. 3/2016*

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors keeping in view the code of conduct prescribed under Schedule IV of Companies Act, 2013.

#### **Board Meetings**

During the Financial Year 2015-16, Twenty (20) meetings of the Board of Directors of Vatika Limited were held to transact the business of the Company. The time gap between the two consecutive Board Meetings did not exceed 120 days. The details of the Board Meetings are provided below:

<b>S. No.</b>	<b>Date of Board Meeting</b>
1	15.04.2015
2	16.04.2015
3	17.04.2015
4	01.05.2015
5	19.06.2015
6	09.07.2015
7	03.08.2015
8	19.08.2015
9	01.09.2015
10	11.09.2015
11	17.09.2015
12	18.09.2015
13	21.09.2015
14	20.10.2015
15	20.11.2015
16	30.12.2015
17	31.12.2015
18	20.01.2016
19	16.02.2016
20	28.03.2016

#### **NOMINATION AND REMUNERATION POLICY**

As per provisions of Section 178(3) of the Act, on the recommendation of the Nomination and Remuneration Committee, your Company has formulated a Nomination and Remuneration Policy. The policy is formulated for:

- setting criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions of the Company;
- to determine remuneration, based on the Company's size, financial position, trends and practices on remuneration prevailing in the industry; and
- to carry out evaluation of the performance of Directors, Key Managerial and Senior Management Personnel and to attract, retain, motivate, and promote talent and to ensure long-term sustainability of talented Managerial Persons and create competitive advantage.

The Nomination and Remuneration Committee of Vatika Limited comprises of Mr. Gautam Bhalla, Mr. Gaurav Bhalla and Mr. Manu Raj Singh.

Till date Five (5) meetings of Nomination and Remuneration Committee were held in Financial Year 2015-16

#### **BOARD EVALUATION**

As per Section 178 of the Act, performance evaluation of the individual Directors, Chairman, Board and Committees thereof is an annual exercise. Based on the criteria set by the Nomination and Remuneration Committee, performance of Independent Directors was evaluated by the Board of Directors. Independent Directors in their separate meeting evaluated the performance of non-independent Directors, including the Chairman, Board and Committees thereof. Evaluation results were discussed in the Board Meeting of Vatika Limited. The Board was satisfied with the evaluation results that reflected the overall engagement of the Directors individually, the Board and its Committees.

#### **PARTICULARS OF DIRECTORS AND EMPLOYEES**

Pursuant to Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details/information's related to the remuneration of Directors and Key Managerial Personnel are set out in Annexure 3 to this Report.

The employees of the Company (Vatika Limited) have contributed most significantly to the growth and development and have been the cornerstone of its success. The numbers of employees as on March 31, 2016 were 393 as compared to 429 in the previous year.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Act, the Directors confirm the following:

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual Accounts on a going concern basis;
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **INTERNAL FINANCIAL CONTROL**

The Company (Vatika Limited) has a robust system of internal financial control, commensurate with the size and complexity of its business operations. It ensures that all the business transactions are recorded in a fair and transparent manner. The Company has appointed M/s Felix Advisory Private Limited, Chartered Accountants firm as Internal Auditors that scrutinizes the financials and other operations of the Company. The Internal Auditors also checks if the applicable laws have been complied with or not. Internal Auditors directly report to the Audit Committee. Based on the findings of Internal Auditors, process owners undertake corrective actions in their respective areas. During the year and at the year-end, such controls were tested for adequacy and operating effectiveness and no reportable material weakness or significant deficiency was observed in the design or operations.

#### **RISK MANAGEMENT**

During the year, your Company (Vatika Limited) has formulated a Risk Management Policy to assist the Board in:

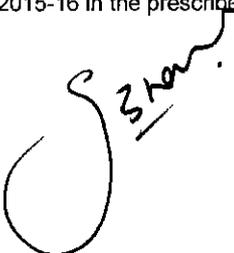
- Overseeing and approving the Company's enterprise wide risk management framework; and
- Overseeing that all the risks that the organization faces, such as strategic, financial, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company's management systems, organizational structure, processes, standards, code of conduct, and behavior together form a System that governs how the Company conducts its business and manage the associated risks.

Your Company carries out a periodical exercise to identify various risks involved in the business and operations of the Company. After identification, such risks are assessed for the degree of risks involved and steps are taken to mitigate those risks. The objective of such exercise is to mitigate the probable adverse impact on business operations and thus enhance the competitiveness. The risk assessment process of the Company defines the risk management approach at all levels across the organization, including determining the degree of risks and suitable steps to be taken to avoid the probable harm.

#### **Particulars of Contracts or Arrangements with Related Parties**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2015-16 in the prescribed format, AOC 2 has been annexed as **Annexure-2** with the report.



## **AUDIT COMMITTEE**

Composition of the Audit Committee of the Company is in accordance with Section 177 of the Act, comprising Mr. Manu Raj Singh-Independent Director, Mr Vineet Taing-Independent Director and. Mr Gautam Bhalla-Managing Director.

During F.Y. 2015-16 Five (5) meetings of the Committee of Vatika Limited were held.

The Board has accepted all the recommendations made by the Audit Committee.

## **VIGIL MECHANISM**

The Company (Vatika Limited) has adopted a Vigil Mechanism Policy that has been communicated to all the Directors and employees of the Company through Vconnect portal. The Company is committed to have highest possible transparency in its operations. The objective of the Company's Policy is to allow employees an avenue to raise concerns, in line with Vatika's commitments to the highest possible standards of ethical, moral, and legal business conduct and its commitment to open communications. Employees can, on a confidential basis, report such matters to ombudsman which may lead to incorrect financial reporting, or of serious nature, unlawful, not in line with the Code of Conduct of the Company, or amounts to improper conduct. The Policy provides complete confidentiality and safeguard of the employees who raises the issue against any improper conduct.

## **ANNUAL RETURN**

As per the requirements of Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is attached to this Report as **Annexure 4**.

## **Auditors and Auditors Report**

### **Statutory Auditors**

M/s Walker Chandoik & Co. LLP Chartered Accountants, New Delhi (Firm Regd No. 001076N) were appointed as statutory auditors of the Company in the Seventeenth Annual General Meeting till the Twenty One Annual General Meeting of the Company subject to the ratification at general meeting by members. They have confirmed their eligibility for ratification pursuant to section 139 of the Companies Act, 2013 and are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation or adverse remark.

During the year under review, the Statutory Auditors have not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

### **Cost Auditors**

As per the applicable provisions, Gurvinder Chopra & Co. Cost Accountants had been appointed as the Cost Auditors of the Company for the FY 2015-16.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 M/s. Gurvinder Chopra & Co. Cost Accountants (firm registration no. 100260), have been re-appointed as Cost Auditors of the Company (Vatika Limited) for FY 2016-17.

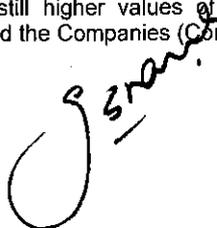
### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Nitin Gupta & Associates, Company Secretaries in practice to undertake the Secretarial Audit of the Company for F.Y. 2015-16. The Report of the Secretarial Audit in MR-3 is annexed herewith as **Annexure-5**.

The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

## **Corporate Social Responsibility (CSR) Committee**

Your Company's overarching aspiration to create significant and sustainable societal value, inspired by a vision to sub-serve a larger national purpose and abide by the strong value of trusteeship, is manifested in its CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India. The CSR initiatives undertaken by the Company includes imparting primary high quality education to out-of-school under privileged girls, imparting computer educations to underprivileged children and building intellect and instill higher values of life through education. In terms of the provisions of Section 135 of the Act, and the Companies (Corporate Social Responsibility) Rules, 2014,



as amended, the details of the CSR Projects undertaken by the Company during the year are detailed in **Annexure 6**. Your Company has devised proper system to monitor the CSR activities as per its CSR Policy.

The CSR Committee comprises of Mr. Anil Bhalla, Mr. Gautam Bhalla and Mr. Vineet Taing.

During the year, the Company has spent Rs 135.41 Lakhs (2% of the average net profits of last three financial years) on CSR activities.

During the financial year 2015-16 Four (4) meetings of the Committee of Vatika Limited were held.

The Annual Report on CSR activities is annexed herewith as **Annexure 6** covering the policy developed & implemented by the Company on CSR initiatives taken during the year.

#### **Borrowing and Investment Committee**

The Borrowing and Investment Committee comprises of Mr. Anil Bhalla and Mr. Gautam Bhalla as members. During the financial year 2015-16, Twenty Three (23) Meetings of the Committee were held.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

##### **A. Conservation of energy:**

- a) the Company is not engaged in any manufacturing activity and hence, no reporting on the conservation of energy is required;
- b) further, the company has not made any additional investment and there are no existing proposals for reduction of energy consumption for reasons mentioned in point (a);
- c) for reasons mentioned in point (a), impact of energy conservation measures cannot be ascertained;
- d) disclosures on total energy consumption and energy consumption per unit of production cannot be made as company is not engaged in any manufacturing activity.

##### **B. Technology absorption:**

- (a) the Company has not entered into any agreement for technology absorption. Hence, reporting on the same cannot be made.

##### **C. Foreign exchange earnings and outgo:**

- a) during the period under review, there were no activities relating to exports,
- b) The Foreign exchange earnings and outgo (FOB basis) of the Company is as follows:

(Figures in lakhs)	
Particulars	Current Year (2015-2016)
Earnings	7934.33
Outgo*	2670.05

\*Expenditures in foreign exchange are on accrual basis.

#### **SIGNIFICANT DEVELOPMENTS AFTER THE CLOSE OF THE FINANCIAL YEAR**

Except the events disclosed elsewhere in the Annual Report, no significant change or development that could affect the Company's financial position has occurred between the end of the financial year and the date of this Report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS OR COURT**

There is no significant material order passed by any regulator or court that would impact the going concern status or future business operations of the Company.



**APPRECIATION**

Your Directors wish to place on record their sincere appreciation for the contributions made by the Company's employees at all level. The Board also thanks its members, customers, vendors, government banks and all other business associates for their continuous support.

For and on behalf of the Board of Directors of  
Vatika Limited

Date: 29.09.2016  
Place: Gurgaon

~~Gaurav Bhalla~~  
Director  
DIN: 00005060  
Address : Farm No 4,  
Hyde Park, Sultanpur,  
Mehrauli,  
New Delhi - 110030

  
Gautam Bhalla  
Managing Director  
DIN: 00005043  
Address: Farm No 4,  
Hyde Park, Sultanpur,  
Mehrauli, New Delhi -  
110030

Financial Statements and Auditor's Report

**Vatika Limited**

31 March 2016

**Walker Chandiok & Co LLP**

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
21st Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurgaon 122002  
India

## Independent Auditor's Report

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## To the Members of Vatika Limited

## Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Vatika Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

2. 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 standalone 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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 standalone financial statements are free from material misstatement.



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

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, its loss and its cash flows for the year ended on that date.

## Emphasis of Matter

9. We draw attention to Note 31(d) to the standalone financial statements which describes the uncertainty relating to the outcome of certain income tax related matters pending in litigation with courts/appellate authorities. Pending the final outcome of these matters, which is presently unascertainable, no adjustments have been made in the standalone financial statements. Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the standalone financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

on the basis of the written representations received from the directors and 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;



# Walker Chandiook & Co LLP

- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 September 2016 as per Annexure B expressed an unqualified opinion; 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. as detailed in Note 31(b) to 31(f) to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*Walker Chandiook & Co*  
For **Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
per **Ashish Gupta**  
Partner  
Membership No.: 504662



**Place:** Gurgaon  
**Date:** 29 September 2016

# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Vatika Limited, on the standalone financial statements for the year ended 31 March 2016

### Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are not in the name of the Company. The details in respect such immovable properties are as under:-

Nature of property	Total Number of Cases	Whether leasehold/ freehold	Gross block as on 31 March 2016 (Rs. in lacs)	Net block as on 31 March 2016 (Rs. in lacs)	Remarks
Buildings	1	Freehold	509.26	221.98	Pertaining to First India Place

Further, properties which were transferred as a result of amalgamation of companies in earlier years wherein the title deeds are in the name of the erstwhile company, is as under:

Nature of property	Total Number of Cases	Whether leasehold/ freehold	Gross block as on 31 March 2016 (Rs. in lacs)	Net block as on 31 March 2016 (Rs. in lacs)	Remarks
Land	1	Freehold	293.88	293.88	Pertaining to land of Matrikiran Primary School
Building	2	Freehold	2,569.92	2,000.18	Pertaining to Matrikiran Primary School and Vatika Tower

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory represented by development rights. For inventory represented by development rights at the year-end, written confirmations have been obtained by the management. No material discrepancies were noted on the aforesaid verification.



# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Vatika Limited, on the standalone financial statements for the year ended 31 March 2016

- (iii) The Company has granted both interest bearing and interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act; - and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, *prima facie*, prejudicial to the company's interest;
  - (b) in respect of interest bearing loan - the schedule of repayment of principal and *payment* of interest has been stipulated and are not due for repayment/payment currently. Further in respect of interest free loan - the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular; and
  - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) 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, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

### Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues (excluding interest)	Amount (Rs. in lacs)	Period to which the amount relates	Due Date	Date of Payment
Haryana Development and Regulation of Urban Areas Act, 1975	External Development Charges	9,724.71	2006-07 to 2015-16	Various dates as per agreed terms of license	Not yet paid
Haryana Development and Regulation of Urban Areas Act, 1975	Internal Development Charges	97.75	2006-07 to 2007-08	Various dates as per agreed terms of license	Not yet paid



# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Vatika Limited, on the standalone financial statements for the year ended 31 March 2016

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Amount paid under protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	2.45	-	Assessment Year 1996-97	CIT (Appeals)
Income Tax Act, 1961	Income tax	262.25	290.41	Assessment Year 2003-04	CIT (Appeals)
Income Tax Act, 1961	Income tax	2,621.73	-	Block assessment May 2003	Honourable High Court at New Delhi
Income Tax Act, 1961	Income tax	8.87	-	Assessment Year 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	1,258.61	1,296.37	Assessment Year 2006-07	CIT (Appeals)
Income Tax Act, 1961	Income tax	1,090.83	263.11	Assessment Year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	95.07	108.38	Assessment Year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	7,681.28	213.54	Assessment Year 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	51.97	-	Assessment Year 2007-08	CIT (Appeals)
Income Tax Act, 1961	Income tax	2,343.41	2,390.28	Assessment Year 2007-08	CIT (Appeals)
Income Tax Act, 1961	Income tax	2,184.92	1,422.85	Assessment Year 2008-09	CIT (Appeals)
Income Tax Act, 1961	Income tax	2,015.81	904.02	Assessment Year 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income tax	4,243.33	50.00	Assessment Year 2010-11	CIT (Appeals)
Income Tax Act, 1961	Income tax	1,161.86	-	Assessment Year 2013-14	CIT (Appeals)
The Finance Act, 1994	Service tax	347.67	7.60	Financial Year 2003-04 to 2011-12	Customs Excise and Service Tax Appellate Tribunal, Delhi
The Haryana Value Added Tax Act, 2003	Value added tax	682.52	-	Financial Year 2008-09	Haryana Tax Tribunal, Chandigarh



# Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Vatika Limited, on the standalone financial statements for the year ended 31 March 2016

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Amount paid under protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Haryana Value Added Tax Act, 2003	Value added tax	615.78	100.00	Financial Year 2009-10	Haryana Tax Tribunal, Chandigarh
The Haryana Value Added Tax Act, 2003	Value added tax	6,243.41	100.00	Financial Year 2010-11	Joint Excise and Taxation Commissioner (Appeals), Haryana
The Haryana Value Added Tax Act, 2003	Value added tax	4,407.67	100.00	Financial Year 2011-12	Joint Excise and Taxation Commissioner (Appeals), Haryana
The Haryana Value Added Tax Act, 2003	Value added tax	4,583.70	100.00	Financial Year 2012-13	Joint Excise and Taxation Commissioner (Appeals), Haryana
The Haryana Value Added Tax Act, 2003	Value added tax	2,134.39	100.00	Financial Year 2013-14	Joint Excise and Taxation Commissioner (Appeals), Haryana

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to the government.
- (ix) In our opinion, the term loans were applied for the purpose for which the loans were obtained. The Company did not raise moneys by way of initial public offer (including debt instruments).
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The managerial remuneration has been provided and paid by the Company (being a unlisted public company) in accordance with the requisite approvals and fulfilment of conditions as mandated by the provisions of Rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Accordingly, limits specified in the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.



# Walker Chandiook & Co LLP

**Annexure A to the Independent Auditor's Report of even date to the members of Vatika Limited, on the standalone financial statements for the year ended 31 March 2016**

- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

*Walker Chandiook & Co*

For **Walker Chandiook & Co LLP**

(Formerly *Walker, Chandiook & Co*)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Ashish Gupta*

per **Ashish Gupta**

Partner

Membership No.: 504662

**Place:** Gurgaon

**Date:** 29 September 2016



# Walker Chandiook & Co LLP

**Annexure B to the Independent Auditor's Report of even date to the members of Vatika Limited, on the standalone financial statements for the year ended 31 March 2016**

## **Annexure B**

### **Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the standalone financial statements of Vatika Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as of that date.

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

2. The Company's Board of Directors 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 (the "Guidance Note") 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 the Company's 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 Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. 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 IFCoFR.

#### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR 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 IFCoFR 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.



# Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Vatika Limited,  
on the standalone financial statements for the year ended 31 March 2016

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls 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 issued by ICAI.

*Walker Chandiook & Co LLP*

For **Walker Chandiook & Co LLP**

*(Formerly Walker, Chandiook & Co)*

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Ashish Gupta*

per **Ashish Gupta**

Partner

Membership No.: 504662

**Place:** Gurgaon

**Date:** 29 September 2016



Vatika Limited

Balance Sheet as at 31 March 2016

(All amounts are in Indian Rupees in lacs, unless otherwise specified)

	Note	31 March 2016	31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	5,568.82	5,568.82
Reserves and surplus	4	98,076.63	98,915.55
		<b>103,645.45</b>	<b>104,484.37</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	110,778.43	162,522.85
Other long-term liabilities	6	119.57	260.17
Long-term provisions	7	1,413.84	618.02
		<b>112,311.84</b>	<b>163,401.04</b>
<b>Current liabilities</b>			
Short-term borrowings	8	158,758.51	160,998.41
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	9(a)	-	-
(B) total outstanding dues of creditors other than micro and small enterprises	9(b)	21,797.54	22,956.32
Other current liabilities	10	471,991.56	318,193.35
Short-term provisions	7	18,301.52	18,200.68
		<b>670,849.13</b>	<b>520,348.76</b>
		<b>886,806.42</b>	<b>788,234.17</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11(a)	3,166.85	3,501.31
Intangible assets	11(c)	6.75	12.90
Capital work-in-progress	11(b)	6,277.25	2,718.74
Non-current investments	12	33,845.61	42,863.90
Deferred tax assets (net)	13	2,351.99	3,122.62
Long-term loans and advances	14	34,334.09	32,822.06
Other non-current assets	15	4,975.24	4,979.15
		<b>84,957.78</b>	<b>90,020.68</b>
<b>Current assets</b>			
Current investments	16	-	7,701.86
Inventories	17	354,809.71	309,077.97
Trade receivables	18	24,588.33	35,317.30
Cash and bank balances	19	10,121.68	15,225.41
Short-term loans and advances	20	320,370.59	219,466.67
Other current assets	21	91,958.33	111,424.28
		<b>801,848.64</b>	<b>698,213.49</b>
		<b>886,806.42</b>	<b>788,234.17</b>

The accompanying notes form an integral part of these financial statements.

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

*Walker Chandniok & Co LLP*

For Walker Chandniok & Co LLP

(formerly Walker, Chandniok & Co)

Chartered Accountants

per Ashish Gupta  
Partner



Place: Gurgaon

Date: 29 September 2016

For and on behalf of Board of Directors

*Gaurav Bhalla*  
Gaurav Bhalla  
Managing Director  
DIN: 00005043

*Raj Kumar Sahni*  
Raj Kumar Sahni  
Chief Financial Officer

*Gaurav Bhalla*  
Gaurav Bhalla  
Director  
DIN: 00005060

*Gaurav Arora*  
Gaurav Arora  
Company Secretary  
Membership No.: F6350

**Vatika Limited**

**Statement of Profit and Loss for the year ended 31 March 2016**

*(All amounts are in Indian Rupees in lacs, unless otherwise specified)*

	Note	31 March 2016	31 March 2015
<b>Income:</b>			
Revenue from operations	22	66,797.09	110,994.54
Other income	23	32,384.03	3,281.78
<b>Total revenue</b>		<b>99,181.12</b>	<b>114,276.32</b>
<b>Expenses:</b>			
Cost of sales	24	45,030.09	65,703.75
Employee benefits expense	25	1,633.00	1,947.47
Finance costs	26	47,305.35	32,070.99
Depreciation and amortization expense	11(a)&(b)	366.31	447.81
Other expenses	27	4,369.97	10,530.75
<b>Total expenses</b>		<b>98,704.72</b>	<b>110,700.77</b>
<b>Profit before tax</b>		<b>476.40</b>	<b>3,575.55</b>
<b>Tax expense/(credit) :</b>			
- Current tax		544.69	1,576.12
- MAT credit entitlement		-	(394.53)
- Deferred tax		(331.78)	187.56
- Income tax earlier years		-	129.24
- Deferred tax earlier years		1,102.41	-
<b>Total tax expense</b>		<b>1,315.32</b>	<b>1,498.39</b>
<b>(Loss)/profit for the year</b>		<b>(838.92)</b>	<b>2,077.16</b>
<b>(Loss)/earnings per share (Rs.)</b>			
	26		
- Basic (loss)/earnings per share		(1.66)	4.11
- Diluted (loss)/earnings per share		(1.66)	4.11

The accompanying notes form an integral part of these financial statements.

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

*Walker Chandiok & Co*

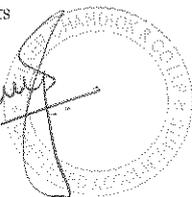
For **Walker Chandiok & Co LLP**

*(formerly Walker, Chandiok & Co)*

Chartered Accountants

*Ashish Gupta*

per **Ashish Gupta**  
Partner



Place: Gurgaon

Date: 29 September 2016

For and on behalf of Board of Directors

*Gaurav Bhalla*  
**Gaurav Bhalla**  
Managing Director  
DIN: 00005043

*Raj Kumar Sahni*  
**Raj Kumar Sahni**  
Chief Financial Officer

*Gaurav Bhalla*  
**Gaurav Bhalla**  
Director  
DIN: 00005060

*Gaurav Arora*  
**Gaurav Arora**  
Company Secretary  
Membership No.: F6350

Vatika Limited

Cash Flow Statement for the year ended 31 March 2016

(All amounts are in Indian Rupees in lacs, unless otherwise specified)

	31 March 2016	31 March 2015
<b>Cash flows from operating activities</b>		
Net profit before tax	476.40	3,575.55
Adjustments for :		
Depreciation and amortization	366.31	447.81
Finance costs	47,305.35	32,070.99
Provision for expected costs	2,523.48	2.45
Provision for doubtful debts/advances	308.97	2,400.00
Advances written off	0.80	4.89
Provision for diminution of investments	2.47	-
Claims and contingencies	783.37	227.10
Rent equalisation reserve	(20.67)	(67.35)
Interest income	(3,563.62)	(882.06)
Loss/(profit) on sale of fixed assets (net)	0.08	(2.12)
Provision for wealth tax - reversal	(0.56)	(0.01)
Profit on sale of investments (net)	(25,633.51)	(41.56)
Profit on redemption of debentures	(1,914.13)	-
Amounts written back	(380.00)	(116.98)
<b>Operating profit before working capital changes</b>	<b>20,254.74</b>	<b>37,618.71</b>
Decrease/(increase) in trade receivables	10,420.00	(26,582.21)
Increase in loans and advances	(90,371.72)	(13,458.70)
Decrease in other current assets	19,641.65	9,982.51
Increase in inventories	(45,731.75)	(32,515.75)
Increase/(decrease) in liabilities and provisions	(17,395.07)	(9,800.78)
Decrease/(increase) in investments in deposits with banks under lien	321.29	(514.77)
<b>Cash flow used in operations</b>	<b>(102,860.86)</b>	<b>(35,270.99)</b>
Taxes paid (net of refunds)	(1,766.16)	(2,476.59)
<b>Net cash used in operating activities - (A)</b>	<b>(104,627.02)</b>	<b>(37,747.58)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets and capital work in progress	(3,646.07)	(1,923.51)
Proceeds from sale of fixed assets	-	13.44
Loans given during the year	(10,410.00)	-
Loans received back during the year	596.21	-
Investments made during the year	-	(26,679.53)
Investments sold during the year	44,265.30	1,818.42
Investments in bank deposits (having original maturity of more than twelve months)	14.00	61.00
Interest received	1,780.10	1,046.90
<b>Net cash flow from/(used in) investing activities - (B)</b>	<b>32,599.54</b>	<b>(25,663.28)</b>
<b>Cash flow from financing activities</b>		
Repayments/proceeds of short term borrowings (net)	(2,647.38)	5,641.74
Proceeds from long term borrowings	458,382.14	320,553.81
Repayments of long term borrowings	(344,448.09)	(225,193.35)
Interest paid	(45,639.17)	(32,118.32)
<b>Net cash flow from financing activities - (C)</b>	<b>65,647.50</b>	<b>68,883.88</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(6,379.98)</b>	<b>5,473.02</b>

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