

**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 (Rs. in lacs) 2014-15	Amount (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.

For VATIKA LIMITED

Authorised Signatory







**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. 1,89,76,000/-
- 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. \*Vallerna 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. \*\*Fermira Developers Private Limited
22. \*\*Winston Developers Private Limited
23. \*\*Avento 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. \*\*Melis 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. **Kapa Developers Private Limited**  
47. ##Daren Developers Private Limited  
48. ##Halma 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, Halma 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 Bhatta, 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 Sibai, 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 Chandolk & 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.

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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 by 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. 55,66,82,090.

#### 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.

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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 Bhatta and Mr. Gautam Bhatta 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 188 of the Companies Act, 2013.

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

- A. Conservation of energy:
- the Company is not engaged in any manufacturing activity and hence, no reporting on the conservation of energy is required;
  - 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);
  - for reasons mentioned in point (a), impact of energy conservation measures cannot be ascertained;
  - 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:

- during the period under review, there were no activities relating to exports,
- 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.

For VATIKA LIMITED

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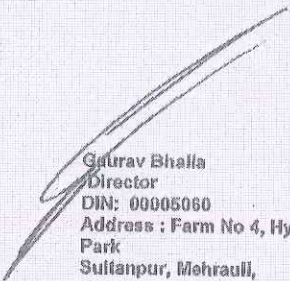
There have been no material changes and commitments which affects the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the Report.

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

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

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

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

For VATIKA LIMITED  
  
Authorised Signatory







Financial Statements and Auditors' Report

**Vatika Limited**

March 31, 2015

**Walker Chandiok & Co LLP**

For VATIKA LIMITED  
  
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# Walker ChandioK & Co LLP

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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.

For VATIKA LIMITED

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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



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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);





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- 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 Chandiok & Co*

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

*Ashish Gupta*

per Ashish Gupta  
Partner  
Membership No.: 504662

Place: Gurgaon  
Date: September 21, 2015



For VATIKA LIMITED

*[Signature]*  
Authorised Signatory



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## 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.





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## 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





# Walker Chandio & 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

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.

For VATIKA LIMITED

Authorised Signatory





# 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

- (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 Chandiok & Co LLP*

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Ashish Gupta*

per Ashish Gupta

Partner

Membership No.: 504662

Place: Gurgaon

Date: September 21, 2015



For VATIKA LIMITED

*[Signature]*  
Authorised Signatory



**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
		<u>104,484.37</u>	<u>102,407.21</u>
<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
		<u>163,401.05</u>	<u>133,923.02</u>
<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
		<u>520,348.75</u>	<u>458,973.07</u>
		<u>788,234.17</u>	<u>695,303.30</u>
<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
		<u>90,020.68</u>	<u>97,738.80</u>
<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
		<u>698,213.49</u>	<u>597,564.50</u>
		<u>788,234.17</u>	<u>695,303.30</u>

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 Chandiok & Co*

For Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)

Chartered Accountants

*Ashish Gupta*  
per Ashish Gupta  
Partner



Place: Gurgaon

Date: September 21, 2015

For and on behalf of Board of Directors

*Gautam Bhalla*  
Gautam Bhalla  
Managing Director  
DIN: 00005043

*Raj Kumar Sabni*  
Raj Kumar Sabni  
Chief Financial Officer

*Gaurav Bhalla*  
Gaurav Bhalla  
Director  
DIN: 00005060

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

For VATIKA LIMITED

*[Signature]*  
Authorised Signatory



**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)
		<b>1,498.39</b>	<b>3,220.37</b>
<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*

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

*Raj Kumar Sahni*  
Raj Kumar Sahni  
Chief Financial Officer

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

Place: Gurgaon

Date: September 21, 2015

For VATIKA LIMITED

Authorised Signatory



**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>

**For VATIKA LIMITED**
**Authorised Signatory**


Handwritten signatures and initials, including '93', '72', 'CA', and a large signature.

**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)

12,534.37

7,061.35

5,473.02

627.76

This is the Cash Flow Statement 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



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

For VATIKA LIMITED

*[Signature]*  
Authorised Signatory