

# **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
Profit / (Loss) before tax	
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
Profit / (Loss) after Tax	9316.15

## **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.

For VATIKA LIMITED

Authorized Signatory



### SHARE CAPITAL

The paid up equity share capital of Vatika Limited as at March 31, 2016 stood at Rs 5,56,662,090.

### 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. \*\*Espe Developers Private Limited
18. \*\*Mendell Developers Private Limited
19. \*\*Casper 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. \*\*Velle 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.

For VATIKA LIMITED  
  
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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:

- Accepted during the year – NIL
- Remained unpaid or unclaimed as at the end of the year- 38.50 lakhs
- 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:

- Accepted during the year – Rs. 67,950,000/- (From March, 2016 till September, 2016)
- Remained unpaid or unclaimed as at the end of the year- Nil
- 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 Rs 1228,00,00,000/-. *These debentures got redeemed on 28<sup>th</sup> March 2016 at a discount of Rs 149 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 03.05.2016
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 Mariu 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.

For VATIKA LIMITED  
  
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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:

S. No.	Date of Board Meeting
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 Bhatta, Mr. Gaurav Bhatta 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.

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The employees of the Company (Valika 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 (Valika 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 (Valika 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 189(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.

For VATIKA LIMITED  
  
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#### 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 Vineel 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 A

#### Auditors and Auditors Report

##### Statutory Auditors

M/s Walker Chandok & 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, Gurminder 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. Gurminder 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 B

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,

For VATIKA LIMITED

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as amended, the details of the CSR Projects undertaken by the Company during the year are detailed in Annexure 5. 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.

For VATIKA LIMITED  
  
Authorised Signatory



#### 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

Saurav 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

For VATIKA LIMITED

Authorised Signatory





Financial Statements and Auditor's Report

**Vatika Limited**

31 March 2016

**Walker Chandiok & Co LLP**

For VATIKA LIMITED

  
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# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
(Formerly Walker, Chandiook & Co)  
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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.



Chartered Accountants

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

For VATIKA LIMITED

  
Authorised Signatory

Walker Chandiook & 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



## Walker Chandiook & Co LLP

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 Chandiok & 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 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: 29 September 2016

For VATIKA LIMITED

*Ashish Gupta*

Authorised Signatory