

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)
Profit / (Loss) before tax	3575.55	9125.27
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)
Profit / (Loss) after Tax	2077.16	6904.90

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
[Signature]
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 19th February, 2015 under the provisions of Companies Act, 2013, details as under:

- Accepted during the year – Rs. 1,89,75,000/-
- 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

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:

- *Vatika Hotels Private Limited
- *SH Tech Park Developers Private Limited
- *Vatika Jaipur SEZ Developers Limited
- *Aspire Promoters Private Limited
- *Vatika Dwellers Private Limited
- *Famous Dwellers Private Limited
- *Vallerna Promoters and Developers Private Limited
- *Vatika IT Parks Private Limited
- *Vatika Sovereign Park Private Limited
- Gates Developers Private Limited
- #Trishul Propbuild Limited
- *Vatika Overseas Limited
- **Vatika Seven Elements Private Limited (Formerly Strong Infrabuild Private Limited)
- **Blossom Properties Private Limited
- **Crazy Properties Private Limited
- **Pegasus Infrastructure Private Limited
- **Sahar Land and Housing Private Limited
- **Espe Developers Private Limited
- **Mendell Developers Private Limited
- **Caspar Developers Private Limited
- **Fermina Developers Private Limited
- **Winston Developers Private Limited
- **Avenio Developers Private Limited
- **Brock Developers Private Limited
- **Stedman Developers Private Limited
- **Vatika One India Next Private Limited (formerly Shivganesh Buildtech Private Limited)
- **Sanskar Buildtech Private Limited
- **Nakehalra Buildcon Private Limited
- **Vatika Infratech Private Limited
- **Magnet Developers Private Limited
- **Vatika Education Services Private Limited
- **Vatika Infracon Private Limited
- **Payton Developers Private Limited
- **Vatika One on One Private Limited (formerly Calder Developers Private Limited)
- **Minorca Developers Private Limited
- **Galina Developers Private Limited
- **Metis Developers Private Limited
- **Pedro Developers Private Limited
- **Clara Developers Private Limited
- **Aster Promoters & Developers Private Limited
- **Eberta Developers Private Limited
- **Vette 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. ##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 16th 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 13th February, 2015 and consequent approval by the Registrar of Companies on 9th March, 2015 and CIN of the Company changed to U74899HR1996PLC054821.
- 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 3rd 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.

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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, Gurminder 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. Gurminder 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 14th 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:

- 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.
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis;

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creating lasting value

- 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 456 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.13,87,58,950 to Rs. 55,68,92,090.

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 14th 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 31st March, 2015. A meeting of Nomination and Remuneration Committee was held on 31st 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 31st March, 2015 and one meeting of the Committee was held on 31st 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 Dhallia and Mr. Gautam Dhallia 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 31st 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:
- 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:
- 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: 21st September, 2013
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

Authorised Signatory

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
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Independent Auditor's Report

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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

Authorised Signatory



Chartered Accountants

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

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

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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);

For VATIKA LIMITED

Authorised Signatory



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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

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

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.

For VATIKA LIMITED

Authorised Signatory



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

- (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

For VATIKA LIMITED

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Chartered Accountants



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

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

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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

- (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.

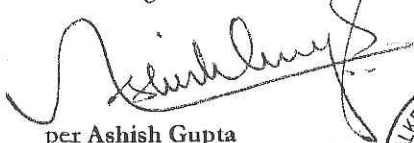
Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013



per Ashish Gupta

Partner

Membership No.: 504662

Place: Gurgaon

Date: September 21, 2015



For VATIKA LIMITED


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
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
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>
2 Non-current liabilities			
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>
3 Current liabilities			
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>
II. ASSETS			
Non-current assets			
1 Fixed assets			
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>
2 Current assets			
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

per Ashish Gupta
Partner



For and on behalf of Board of Directors

Gautam Bhalla
Managing Director
DIN: 00005043

Gaurav Bhalla
Director
DIN: 00005060

Raj Kumar Sahni
Chief Financial Officer

Gaurav Arora
Company Secretary
Membership No.: F6350

Place: Gurgaon
Date: September 21, 2015

For VATIKA LIMITED

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
Income:			
Revenue from operations	22	110,994.54	164,845.89
Other income	23	3,281.78	2,520.84
Total revenue		114,276.32	167,366.73
Expenses:			
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
Total expenses		110,700.77	158,241.46
Profit before tax		3,575.55	9,125.26
Tax expense:			
- 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
Profit for the year		2,077.16	5,904.89
Earnings per share (Rs.)	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

For and on behalf of Board of Directors

Ashish Gupta
per Ashish Gupta
Partner

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

Ashish Gupta
Ashish Gupta
Authorized 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
Cash flows from operating activities		
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)
Operating profit before working capital changes	37,618.69	44,328.24
(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)
Cash used in operations	(35,271.01)	(53,935.86)
Taxes paid (net of refunds)	(2,476.59)	(1,628.18)
Net cash used in operating activities - (A)	(37,747.60)	(55,564.05)
Cash flow from investing activities		
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
Net cash used in investing activities - (B)	(25,663.27)	(1,080.34)
Cash flow from financing activities		
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)
Net cash flow from financing activities - (C)	68,883.89	57,272.14
Net increase in cash and cash equivalents (A+B+C)	5,473.02	627.76

For VATIKA LIMITED
Authorised Signatory


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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

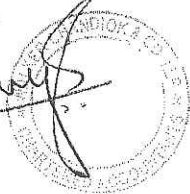
Cash and cash equivalents at beginning of the year	7,061.35	6,433.59
Cash and cash equivalents at end of the year (refer note 19)	12,534.37	7,061.35
	<u>5,473.02</u>	<u>627.76</u>

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

Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

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

1. Corporate Information

Vatika Limited ('the Company') was incorporated in India on 02 July 1998. The Company is primarily engaged in the business of promotion, construction, development, sale and maintenance of real estate properties in India.

2. Summary of significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 (as amended). The financial statements have been prepared on an accrual basis and under the historical cost convention.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per guidance as set out in Schedule III to the Companies Act, 2013.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible fixed assets and depreciation

Recognition and measurement

Tangible fixed assets are stated at cost, net of tax or duty credits availed, less accumulated depreciation and impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes development/ construction costs, borrowing costs and other direct expenditure.

Depreciation

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV of Companies Act, 1956 were used for charging depreciation. With effect from current year, Schedule XIV has been replaced by Schedule II of Companies Act, 2013, which has prescribed the useful lives of fixed assets, which, in many cases, are different from the lives prescribed under Schedule XIV.

Depreciation on fixed assets is provided on the written-down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to adjustments arising out of transitional provisions of Schedule II.

For VATIKA LIMITED

Authorised Signatory



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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

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

d) Intangible assets and amortisation

Intangible assets comprise softwares including ERP, related licences and implementation cost of ERP. Intangible assets are stated at cost of acquisition less impairment (if any) and include all attributable costs of bringing intangible assets to its working condition for its intended use. These are amortised on a straight line basis over the expected benefit period or the legal life, whichever is lower, as follows:

ERP and Computer Softwares	36 months
----------------------------	-----------

e) Borrowing costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with notified Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

Upfront fees or processing charges paid on borrowings are amortized and charged off to Statement of Profit and Loss, over the tenure of the loan.

f) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

g) Investments

Investments are classified as long term or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Trade investments are the investments made for or to enhance the Company's business interests. Current investments are stated at lower of cost or fair value determined on an individual investment basis. Long-term investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statements. Profit/loss on sale of investments is computed with reference to the average cost of the investment.

h) Inventories

Inventory comprises of land, completed properties for sale and project in progress are valued as under:

- i. Completed property for sale is valued at lower of cost and net realisable value. In case of self constructed property cost includes cost of land (including development rights and land under agreement to purchase), license related costs (accrued on receipt of letter of intent for license from government authorities), construction cost, overheads, borrowing cost and development/construction materials.

For VATIKA LIMITED

Authorised Signatory



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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

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

- ii. Projects in progress are valued at lower of cost (determined on weighted average cost method) and net realisable value. Cost includes cost of land (including development rights and land under agreement to purchase), license related costs, construction/development costs, overheads, borrowing cost and development/construction materials. However, cost in case of transferable development rights acquired by way of development/construction of built up area is the amount to be spent on development/construction of built up area.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i) Revenue recognition

Revenue is recognised when the substantial risks and rewards related to ownership are transferred in favour of the customers.

i. Revenue from sale of constructed properties and developed plots

Revenue from sale of constructed properties and developed plots is recognised on the "Percentage of Completion method" of accounting. Sale consideration receivable as per the agreements to sell (where the property/plot is specifically identified) entered into for constructed properties and developed plots is recognised as revenue on the basis of percentage of actual project costs incurred thereon to total estimated project cost, subject to such actual cost incurred being 30 per cent or more of the total estimated project cost in case of constructed properties and 67 per cent or more of the total estimated project cost in case of developed plots.

Project cost includes cost of land (including development rights), estimated internal development charges, external development cost, other related government charges, borrowing costs, overheads, construction costs and development/ construction materials of such properties, to determine percentage of completion. The estimates of the saleable area and costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately. Liquidated damages/penalties are provided for, based on management's assessment of the estimated liability, as per contractual terms.

With effect from April 01, 2012 in accordance with the Revised Guidance Note issued by Institute of Chartered Accountants of India ("ICAI") on "Accounting for Real Estate transactions (Revised 2012)", the Company revised its accounting policy of revenue recognition for all projects commencing on or after April 01, 2012 or project where the revenue is recognized for the first time on or after the above date. As per this Guidance Note, the revenue have been recognized on percentage of completion method provided all of the following conditions are met at the reporting date.

- all critical approvals necessary for the commencement of project have been obtained;
- the expenditure incurred on construction and development cost is not less than 25% of the total estimated construction and development costs;
- at least 25 % of the saleable project area is secured by agreements with buyers; and
- at least 10% of the total revenue as per the agreements are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

For VATIKA LIMITED

Authorised Signatory



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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

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

ii. Revenue from sale of land, completed property and development right

Revenue from sale of land, completed property and development right is recognised in the financial year in which the agreement to sell is executed and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale.

iii. Amounts earned on account of transfer of projects

Amounts earned on account of transfer of projects are recognized in the financial year in which the underlying agreements are executed, and no significant uncertainty exists regarding the amount of consideration that will be derived from the transfer.

iv. Income from transfer charges

Income from registration fees received from customers on transfer of ownership of property during the construction period is accounted on accrual basis as and when due.

v. Interest income

- a) Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.
- b) Other interest income is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable.

vi. Income from services

Property maintenance charges

Revenue of property and other maintenance contracts is recognised on a pro-rata basis over the period of the contract as and when services are rendered.

Service income

Revenue of other services is recognised on accrual basis in accordance with the terms of service agreements.

Forfeiture income

Income from forfeiture of properties under agreement to sell is accounted for on accrual basis except in cases where ultimate collection is considered doubtful.

vii. Income from compulsory acquisition by Government

Revenue from land compulsorily acquired by the Government is booked on receipt basis.

viii. Rental income

Rental income from property is recognised as per terms of the lease agreement.

j) Costs of revenue

- a) Cost of constructed properties and developed plots includes cost of land (including development rights), estimated internal development costs, external development charges, other related government charges, borrowing costs, overheads construction costs and development/ construction materials, which is charged to the Statement of Profit and Loss proportionate to the revenue recognised as per accounting policy no. (i) i above, in consonance with the concept of matching cost to revenue. Final adjustment is made on completion of the applicable project.

For VATIKA LIMITED

Authorised Signatory



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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

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

- b) Cost of land, completed property and development right is charged to Statement of Profit and Loss proportionate to the revenue recognised as per accounting policy no. (i) ii above, in consonance with the concept of matching cost to revenue. Common infrastructure costs are allocated based on the area of the underlying land.

k) Unbilled receivables

Unbilled receivables disclosed under "Other current assets" represents revenue recognised based on percentage of completion method (as per accounting policy no. (i), i above), over and above the amount due as per the payment plans agreed with the customers.

l) Foreign currency transactions

i) Initial recognition:

Foreign currency transactions are recorded at the rates prevailing on the date of transaction.

ii) Subsequent recognition:

Foreign currency monetary items are restated at the rate prevailing on the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Exchange differences:

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

m) Employee benefits

i) Provident fund

The Company makes contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan. The Company's contributions paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year in which such losses or gains are determined.

For VATIKA LIMITED

Authorised Signatory



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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

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

iii) Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of profit and loss in the year in which such gains or losses are determined.

iv) Other short term benefits

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

n) Leases

i) Where the Company is the lessee

Finance leases which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets.

Lease payments are apportioned between the finance charges and reduction of the lease liability based on a rate of return implicit in the lease. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

ii) Where the Company is the lessor

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of profit and loss.

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

For VATIKA LIMITED

Authorised Signatory



Handwritten signature and initials.

Handwritten initials 'CA'.

Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

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

o) Taxes on income

Tax expense comprises current income tax and deferred income tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year, in accordance with the Income Tax Act, 1961.

Deferred income tax reflects the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form MAT credit available for adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in subsequent years. The Company evaluates this matter at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to utilize that credit. MAT credit is available for carry forward for a period of ten years.

p) Earnings per share

Basic earnings per share is calculated by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) Contingent liabilities and provisions

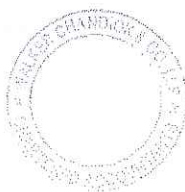
Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, has been disclosed as a contingent liability in the financial statements.

r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statements comprise cash at bank and in hand and short-term bank deposits with an original maturity of three months or less.

For VATIKA LIMITED

Authorised Signatory



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Vatika Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015
(All amounts are in Indian Rupees in lacs, unless otherwise specified)
3. Share capital

	March 31, 2015		March 31, 2014	
	Number (in Lacs)	Amount	Number (in Lacs)	Amount
Authorized shares				
Equity shares of Rs. 10 each	600.00	6,000.00	480.00	4,800.00
Preference shares of Rs. 10 each	50.00	500.00	30.00	300.00
	<u>650.00</u>	<u>6,500.00</u>	<u>510.00</u>	<u>5,100.00</u>
Issued, subscribed and paid-up shares				
Equity shares of Rs. 10 each fully paid-up	556.88	5,568.82	128.22	1,282.24
0.001% cumulative mandatorily convertible preference shares of Rs.10 each fully paid up	-	-	10.53	105.35
	<u>556.88</u>	<u>5,568.82</u>	<u>138.75</u>	<u>1,387.59</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

	March 31, 2015		March 31, 2014	
	Number (in Lacs)	Amount	Number (in Lacs)	Amount
At the beginning of the year	128.22	1,282.24	128.22	1,282.24
Issued during the year				
- Bonus shares issued (refer note 3d)	351.78	3,517.76	-	-
- Conversion of preference shares (refer note 3e)	76.88	768.82	-	-
Outstanding at the end of the year	<u>556.88</u>	<u>5,568.82</u>	<u>128.22</u>	<u>1,282.24</u>

Preference shares

	March 31, 2015		March 31, 2014	
	Number (in Lacs)	Amount	Number (in Lacs)	Amount
At the beginning of the year	10.53	105.35	10.53	105.35
Issued during the year	-	-	-	-
Converted during the year (refer note 3e)	10.53	105.35	-	-
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>10.53</u>	<u>105.35</u>

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend when proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company
Equity shares of Rs. 10 each fully paid up

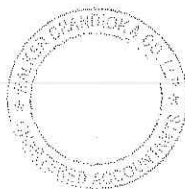
Name of Shareholder	March 31, 2015		March 31, 2014	
	Number (in Lacs)	% of Holding	Number (in Lacs)	% of Holding
Anil Bhalla	273.39	49.09%	73.03	56.96%
Kanchan Bhalla	28.14	5.05%	7.52	5.86%
Everlast Projects Private Limited	60.30	10.83%	16.11	12.56%
BIPEF Vatika Holdings Limited	54.60	9.80%	18.68	14.57%
Flax Developers Private Limited	74.32	13.35%	-	-

Preference shares of Rs. 10 each fully paid up

Name of Shareholder	March 31, 2015		March 31, 2014	
	Number (in Lacs)	% of Holding	Number (in Lacs)	% of Holding
BIPEF Vatika Holdings Limited	-	-	9.49	90.13%
Blake Investment Holdings Limited	-	-	1.04	9.87%

For VATIKA LIMITED

Authorised Signatory



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Vatika Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

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

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash during the 5 years immediately preceding the reporting year

During the year, the Company has issued 35,177,601 equity shares of Rs. 10 each as bonus issue out of the general reserve.

e. Conversion of preference shares

During the year, 1,053,466 preference shares of Rs. 10 each were converted into 7,688,409 equity shares of Rs. 10 each fully paid up. The said conversion has been approved by the shareholders of the Company vide special resolutions in their Extraordinary General Meetings dated November 18, 2014 and December 24, 2014.

Each holder of preference share was entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to preference shares. In the event of liquidation of the Company before conversion of preference shares, the holders of preference shares will have priority over equity shares in payment of dividend and in repayment of capital.

4. Reserves and surplus

	March 31, 2015	March 31, 2014
Securities premium account	59,189.31	59,189.31
General reserve		
Opening balance	41,830.31	35,925.42
Add: Transferred from surplus in the statement of profit and loss	2,077.16	5,904.89
Less: Utilized towards issue of bonus shares (refer note 3d)	(3,517.76)	-
Less: Utilized towards conversion of preference shares into equity shares (refer note 3e)	(663.47)	-
Closing balance	<u>39,726.24</u>	<u>41,830.31</u>
Surplus in the statement of profit and loss		
Opening balance	-	-
Add: Profit for the year	2,077.16	5,904.89
Less: Transferred to general reserve	(2,077.16)	(5,904.89)
Closing balance	<u>-</u>	<u>-</u>
	<u>98,915.55</u>	<u>101,019.62</u>

5. Long-term borrowings

	Non current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Secured loans				
Term loans from banks (note a)	125.64	57.13	115.90	84.88
Term loans from others (note b)	49,342.70	50,969.23	13,011.55	10,271.23
Unsecured loans				
Term loan from related parties (note c)	9,991.28	9,416.60	3,722.46	2,934.54
Term loans from others (note d)	102,957.48	72,669.08	19,945.46	9,110.82
Public deposits (note e)	105.75	156.85	-	-
	<u>162,522.85</u>	<u>133,268.89</u>	<u>36,795.37</u>	<u>22,401.47</u>
The above amount includes				
Secured borrowings	49,468.34	51,026.36	13,127.45	10,356.11
Unsecured borrowings	113,054.51	82,242.53	23,667.92	12,045.36
Less: Amount disclosed under the head "other current liabilities" (note 9)	-	-	(36,795.37)	(22,401.47)
Net amount	<u>162,522.85</u>	<u>133,268.89</u>	<u>-</u>	<u>-</u>
Loans guaranteed by directors or others				
Term loans from banks	-	-	-	-
Term loans from others	49,342.70	50,969.23	13,011.55	10,271.23

For VATIKA LIMITED

Authorised Signatory



Handwritten signature and initials.