

Independent Auditor's Report

To the members of Armand Builders & Constructions Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Armand Builders & Constructions Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures



selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of 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.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is



disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For KSMN & Company

Chartered Accountants

Firm's Registration No. 001075N


Praveen Kumar Verma

Partner

Membership No. 504686



Place: New Delhi

Date: 10 May, 2016

Annexure B to the Independent Auditor's Report to the members of Armand Builders & Constructions Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Armand Builders & Constructions Private Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.



Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



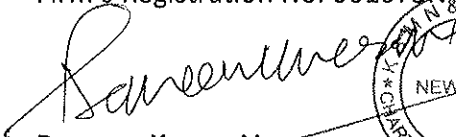

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For KSMN & Company

Chartered Accountants

Firm's Registration No. 001075N

Praveen Kumar Verma

Partner

Membership No. 504686

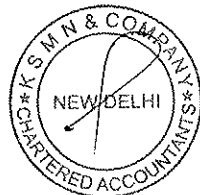
Place: New Delhi

Date: 09 May, 2016

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

Re : Armand Builders & Constructions Private Limited

1. The Company does not have any fixed assets. Hence, clause 3(i)(a) to (c) of the Order is not applicable to the Company.
2. In respect of its inventories:
 - a. As explained to us, all inventories have been physically verified during the year by the management at reasonable intervals.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion, the Company has maintained proper inventory records. The discrepancies noticed between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly clauses 3(iii) (a) to (c) of the order are not applicable.
4. According to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Hence, clause 3(iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148 of the Act for the Company's activities.
7.
 - a. According to the records of the Company examined by us and the information and explanations given to us, the Company has generally deposited its statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues within the prescribed time with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
 - b. We are informed that there are no dues in respect of Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute.


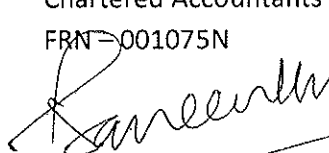


8. According to the information and explanations given to us and records of the Company examined by us, the Company has not taken loans from financial institutions or banks.
9. In our opinion, and according to the information and explanations given to us during the course of audit, the Company has not raised any money way of initial public offer / further public offer and term loans hence, reporting under clause (ix) is not applicable to the Company.
10. In our opinion, and according to the information and explanations given to us during the course of audit, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
11. In our opinion, and according to the information and explanations given to us during the course of audit, the provisions of section 197 of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
12. The Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
13. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
14. According to the information and explanations given to us and on an overall examination of the books of account, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
15. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
16. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For KSMN & Company

Chartered Accountants

FRN-001075N



Praveen Kumar Verma

Partner

Membership No. 504686

Place: New Delhi

Date: 10 May, 2016

ARMAND BUILDERS & CONSTRUCTIONS PRIVATE LIMITED
Balance Sheet as at 31st Mar'2016

Particulars	Notes	As at	As at
		31-Mar-2016	31-Mar-2015
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	(310,313)	(227,631)
2 Current Liabilities			
(a) Trade Payables	5	279,719,318	279,419,625
(b) Other Current Liabilities	6	33,485	60,674
Total		279,542,490	279,352,668
II. ASSETS			
3 Non Current assets			
(a) Deferred Tax Assets (Net)	7	136,238	101,795
4 Current Assets			
(a) Inventories	8	279,237,452	279,237,452
(b) Cash and bank balances	9	168,800	13,421
Total		279,542,490	279,352,668

Significant accounting policies

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Accompanying notes form an integral part of the financial statements

As per our report of even date.

For KSMN & Company
Chartered Accountants
FRN No. - 001075N

Praveen Kumar Verma
Partner
Membership No.: 504686



For and on behalf of the Board of Directors

Prakash Chaturvedi
Director
00003539

Ajay Gauri
Director
00003523

Place: New Delhi
Date: May 10, 2016

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ARMAND BUILDERS & CONSTRUCTIONS PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March'2016

Particulars	Notes	31-Mar-2016	31-Mar-2015
		Rs.	Rs.
Income:			
Total revenue (I)		-	-
Expenses:			
Other expenses	10	117,125	80,374
Total expenses (II)		117,125	80,374
Loss before tax (I - II)		(117,125)	(80,374)
Tax expense:			
Deferred Tax		34,443	24,836
Loss from continuing operations after tax (A)		(82,682)	(55,538)
Earnings per equity share[nominal value of share Rs. 10] (31 March 2016: Rs. 10)]	11		
From continuing operations			
- Basic earning per share		(8.27)	(5.55)
- Diluted earning per share		(8.27)	(5.55)

Significant accounting policies


2

Accompanying notes form an integral part of the financial statements.


As per our report of even date.


For KSMN & Company
Chartered Accountants
FRN No. - 001075N

For and on behalf of the Board of Directors


Praveen Kumar Verma
Partner
Membership No.: 504686




Prakash Chaturvedi
Director
00003539


Ajay Gauri
Director
00003523

Place: New Delhi
Date: May 10, 2016

