

**INDEPENDENT AUDITOR'S REPORT****To the Members of M/s Mhaya Buildcon Private Limited****Report on the Financial Statements**

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

**Management's Responsibility for the Financial Statements**

- 2 The management and Board of Directors of the Company are 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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; design, implementation and maintenance of adequate internal financial controls, that are 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. 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
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 accounting policies used and the



reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements

- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

#### Opinion

6. 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:-

i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2016;

ii) in case of the Statement of Profit and Loss, of the loss for the year ended on that date

iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date

#### Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

- 8 As required by section 143(3) of the Act, we further 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 appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and 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 applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"; and
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:--
- (i) The Company does not have any pending litigations which would impact its financial position
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
  - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For K. K. JAIN & CO.  
Chartered Accountants  
Firm Registration No.002465N

*Simmi Jain*

(Simmi Jain)  
Partner  
M. No.86496



Place: Delhi  
Date: 12.5.2016

**Annexure A referred to in paragraph 7 Our Report of even date to the members of M/s Mhaya Buildcon Private Limited on the accounts of the company for the year ended 31st March, 2016**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) The Company had no fixed assets during the year.
- (ii) (a) Inventories have been physically verified by the management at reasonable intervals during the year.  
(b) No material discrepancies were noticed on verification of inventory.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act.
- (iv) The company has not advanced any loans nor made any investments or given any guarantee or security during the year.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Service Tax, duty of Custom , duty of Excise, Value added Tax, Cess and other statutory dues, as applicable, with the appropriate authorities in India :  

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

  
(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Sales Tax ,Service Tax, Sales Tax, duty of Custom , duty of Excise, Value added Tax or Cess which have not been deposited on account of any disputes
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.



- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) No managerial remuneration has been paid/provided by the company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For K. K. JAIN & CO.  
Chartered Accountants  
Firm Registration No.002465N

*Simmi Jain*  
(Simmi Jain)  
Partner  
M. No.86496



Place: Delhi  
Date: 12.5.2016

**Annexure - B to the Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Mhaya Buildcon Private Limited** ("the Company") as of 31 March 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 Companies Act, 2013.

**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 Companies Act, 2013, 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 judgment, 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)



provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **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 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. K. JAIN & CO.  
Chartered Accountants  
Firm Registration No.002465N

*Simmi Jain*

(Simmi Jain)

Partner

M. No.86496



Place: Delhi

Date: 12.5.2016

**Mhaya Buildcon Private Limited**  
**Balance Sheet as at March 31, 2016**

(Amount in Rs.)

	Notes	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	100,000	100,000
Reserves and surplus	4	(35,883,766)	(6,159,274)
<b>Current liabilities</b>			
Short-term borrowings	5	8,102,882	2,602,882
Other current liabilities	6	31,433,736	5,478,751
		<b>3,752,852</b>	<b>2,022,359</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current investments	7	1,850,010	1,680,010
<b>Current assets</b>			
Cash and cash equivalents	8	114,760	342,349
Short term loans and advances	9	1,788,082	-
		<b>3,752,852</b>	<b>2,022,359</b>

Summary of significant accounting policies 2

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of

**K. K. Jain & Co.**

Chartered Accountants

Registration No.: 002465N

*Simmi Jain*

**Simmi Jain**

Partner

Membership No.: 086496



For and on behalf of the Board of Directors

*Satish Kumar Tyagi*

**Satish Kumar Tyagi**  
Director  
(DIN-00003431)

*Lovekush Sharma*

**Lovekush Sharma**  
Director  
(DIN-00003395)

Place : New Delhi

Dated : 12.05.2016



**Mhaya Buildcon Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2016**

	Notes	(Amount in Rs.) for the year ended	
		March 31, 2016	March 31, 2015
<b>REVENUE</b>		-	-
		<u>-</u>	<u>-</u>
<b>EXPENSES</b>			
Finance costs	10	751,043	154,622
Other expenses	11	28,973,449	5,336,330
		<u>29,724,492</u>	<u>5,490,952</u>
Profit/(Loss) before tax		(29,724,492)	(5,490,952)
Tax expense			
Current tax		-	-
Profit (Loss) for the year/previous year after tax		<u>(29,724,492)</u>	<u>(5,490,952)</u>

**Earnings per equity share**

Basic and Diluted	12	(2,972.45)	(549.10)
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Summary of significant accounting policies 2

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of

**K. K. Jain & Co.**

Chartered Accountants

Registration No.: 002465N

*Simmi Jain*



**Simmi Jain**

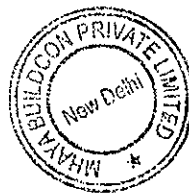
Partner

Membership No.: 086496

Place : New Delhi

Dated : 12.05.2016

For and on behalf of the Board of Directors



*Satish Kumar Tyagi*

**Satish Kumar Tyagi**  
Director  
(DIN-00003431)

*Lovekush Sharma*

**Lovekush Sharma**  
Director  
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