

**INDEPENDENT AUDITOR'S REPORT**

To the Members of M/s **ROCHELLE BUILDERS & CONSTRUCTION PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s **ROCHELLE BUILDERS & CONSTRUCTION PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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**

The Management and Board of Directors of the Company are responsible for the matters stated in Section 4(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 provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other regularities; 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken 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 there under. 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 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 include 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.

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 affairs of the Company as at 31 March, 2017, its profit and its cash flows for the year ended on that date.

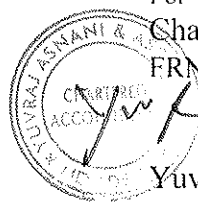
### Report on Other Legal and Regulatory Requirements

As required by the companies (Auditor's Report) Order, 2016 ("The Order"), issued by the Central Government of India in terms of sub section of sub section (11) of Section 143 Companies Act, 2013, We give in the Annexure a statements on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable. 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 accounts 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 representation received from the directors as on April 1, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on April 1, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f. Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- 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; for which there were any material aforesaid losses.
  - (iii) There were no amounts which were required to be transferred to Investor Education & Protection fund by the Company.

Place: New Delhi

Date: 17/5/17



For Yuvraj Asnani & Associates

Chartered Accountants

FRN: 007550N

Yuvraj Asnani

(Prop.)

Membership No. 086438

**M/s ROCHELLE BUILDERS & CONSTRUCTION PRIVATE LIMITED**

Annexure to the Auditor's Report

The Annexure referred to in our report to the members of Rochelle Builders &amp; Construction Private Limited for the year ended on 31st March, 2017. We report that

S. No.	Particular	Auditor Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	--Not Applicable--
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts;	--Not Applicable--
	(c) Whether the title deeds of immovable properties are held in the name of company. If not provide the details thereof;	
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	--Not Applicable--
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability, Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	--Not Applicable--
	(a) Whether the term and conditions of the grant of such loans are not prejudicial to company's interest;	--Not Applicable--
	(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	--Not Applicable--
	(c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	--Not Applicable--
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the companies Act, 2013 have been complied with. If not, provide the details thereof.	-Not Applicable-
(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, The nature of contraventions should be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not	--Not Applicable--
(vi)	Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	--Not Applicable--
(vii)	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax duty of customs, duty of excise, value added tax cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they become payable, shall be indicated;	---Yes---



	(b) Where due of income tax or sales tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where disputed is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as dispute).	--Not Applicable--
(viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	--Not Applicable--
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised. If not, the details together with delays or defaults and subsequent rectification, if any, as may be applicable be reported;	--Not Applicable--
(x)	Whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year; if yes, the nature and the amount involved is to be indicated;	--Not Applicable--
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the company Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	--Not Applicable--
(xii)	Whether the Nidhi Company has complied with the net Owned funds to deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	--Not Applicable--
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of companies Act, 2013 where applicable and the details have been disclosed in the financial statement etc., as required by the applicable accounting standards;	---Yes---
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the companies Act, 2013 have been complied with and the amount raised have been used for the purpose for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	--Not Applicable--
(xv)	Whether the company has entered into any non company transactions with directors or persons connected with him and if so, whether the provisions of section 192 of companies Act, 2013 have been complied with;	--Not Applicable--
(xvi)	Whether the company is required to be registered under section 45-1A of the Reserve bank of India Act, 1934 and if so, whether the registration has been obtained.	--Not Applicable--

For Yuvraj Asnani & Associates  
Chartered Accountants  
FRN: 007550N



Yuvraj Asnani  
(Prop.)

Place: New Delhi

Date: 17/5/17

## **Annexure- B to the Auditor's 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 **Rochelle Builders & Construction Pvt. Ltd.** (the Company") as of 31 March 2017 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 Control**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial 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.

### **Auditor's 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 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 and, to the extent applicable to an audit of internal financial controls, 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 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 proves 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2017, 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 Yuvraj Asnani & Associates**

Chartered Accountants

FRN: 007550N

*Yuvraj Asnani*



Yuvraj Asnani

(Proprietor)

M.No. 086438

Place: New Delhi

Date: 17/05/2017

**ROCHELLE BUILDERS & CONSTRUCTIONS PRIVATE LIMITED**  
Balance Sheet as at 31 March 2017

Particulars	Note	As at 31 March 17 (₹)	As at 31 March 2016 (₹)	As at 1 April 15 (₹)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	3	498,774	560,300	521,777
(b) Deferred Tax Assets (net)	4	16,205,200	16,205,200	16,205,200
(c) Other non-current assets		16,703,974	16,769,176	16,745,937
<b>Current assets</b>				
a) Inventories	5	238,627,410	238,627,410	236,821,508
b) Financial Assets	6	1,776,938	1,913,798	5,426,587
Cash and cash equivalents	7	606,936	610,436	610,436
c) Short-term loans and advances		241,011,284	241,151,644	242,858,531
		<u>257,715,258</u>	<u>257,920,820</u>	<u>259,604,468</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share capital	8	100,000	100,000	100,000
b) Other Equity		(1,863,078)	(1,677,834)	(1,576,179)
		<u>(1,763,079)</u>	<u>(1,577,834)</u>	<u>(1,476,179)</u>
<b>Current liabilities</b>				
a) Financial Liabilities	9	68,735,124	68,753,431	63,888,434
Trade payables	10	190,743,213	190,743,213	197,187,213
Other financial liabilities	11		2,010	5,000
b) Other current liabilities		259,478,337	259,498,654	261,880,647
		<u>257,715,258</u>	<u>257,920,820</u>	<u>259,604,468</u>

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date

For Yuvraj Asnani & Associates  
Chartered Accountants  
Registration No.: 007550

Yuvraj Asnani  
Proprietor  
Membership No.: 086438



Place: New Delhi

Date: 17/5/17

For and behalf on the Board of Directors

Lovekush Sharma  
Director  
DIN-00003395

Devesh Nautiyal  
Director  
DIN-02135830

ROCHELLE BUILDERS & CONSTRUCTIONS PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>EXPENSES</b>			
Change in Inventory	12	-	(1,805,902)
Purchase of Inventory	13	-	1,805,902
Finance costs	14	230	229
Depreciation and amortisation expense	15	3,676	15,284
Other expenses	16	119,812	124,665
		<u>123,718</u>	<u>140,178</u>
Loss before tax		(123,718)	(140,178)
Tax expense			
Deferred tax		(61,526)	38,523
(Loss) for the year after tax / previous year after tax		<u>(185,244)</u>	<u>(101,655)</u>
Loss per share (₹ ) (Basic and Diluted)	17	(18.5)	(10.2)

Summary of significant accounting policies

2

The accompanying notes form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For Yuvraj Asnani & Associates

Chartered Accountants

Registration No.: 007550

Yuvraj Asnani

Proprietor

Membership No.: 086438



For and behalf on the Board of Directors

Lovekushi Sharma

Director

DIN-00003395

Devosh Nautiyal

Director

DIN-02135830

Place: New Delhi

Date: 17/5/17



**ROCHELLE BUILDERS AND CONSTRUCTIONS PRIVATE LIMITED**

Cash flow statement for the year ended March 31, 2017

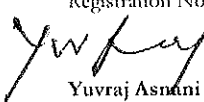
Particulars	Year ended 31 March 2017	Year ended 31 March 2016
	₹	₹
<b>A. Cash flow from operating activities</b>		
(Loss) before tax from continuing operations	(123,718)	(140,178)
(Loss) before tax from discontinuing operations		
Adjustment for Depreciation	3676	15,284
<b>(Loss) before tax</b>	<b>(120,042)</b>	<b>(124,894)</b>
<b>Non cash adjustments to reconcile the profit before tax to net cash flows</b>		
Operating loss before working capital changes	(120,042)	(124,894)
<b>Movement in working capital</b>		
Decrease in Current liabilities	(20,317)	(1,581,993)
Decrease/Increase in Current Assets, Loans & Advances	3,500	(1,805,902)
<b>Net cash generated from/(used in) operation</b>	<b>(136,859)</b>	<b>(3,512,789)</b>
Direct taxes paid (Net of refunds)		
<b>Net cash (used in) operating activities (A)</b>	<b>(136,859)</b>	<b>(3,512,789)</b>
<b>B. Cash flows from investing activities</b>		
Net cash (used in) investing activities (B)	-	-
<b>C. Cash flows from financing activities</b>		
Proceeds from short-term borrowings		
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(136,860)</b>	<b>(3,512,789)</b>
Cash and cash equivalents at the beginning of the year/previous year	1,913,798	5,426,587
<b>Cash and cash equivalents at the end of the year/previous year</b>	<b>1,776,938</b>	<b>1,913,798</b>


Summary of Significant accounting policies:- Notes 2

The notes referred above form an integral part of the financial statements.

This is the Cash Flow referred to in our report of even date

As per our report of even date  
For Yuvraj Asnani & Associates.  
Chartered Accountants  
Registration No. 007550N

  
Yuvraj Asnani  
Proprietor  
Membership No.: 086438



Place: New Delhi

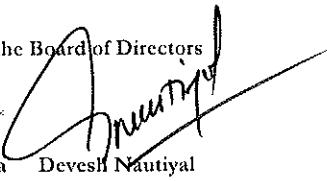
Date: 17/5/17

For and on behalf of the Board of Directors

  
Lovkesh Sharma

Director

DIN-00003395

  
Devesh Nautiyal

Director

DIN-02135830