

Chandra Gupta & Associates

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Philana Builders & Developers Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Philana Builders & Developers Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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.

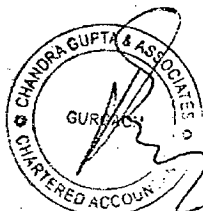
Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 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

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 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 of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

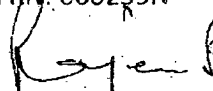
Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we further report that:

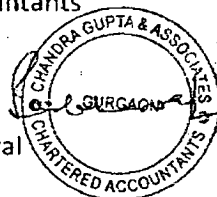
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those 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 April 1, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on April 1, 2015, from being appointed as a director in terms of Section 164(2) of the Act
- f. Company has in place an 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 foreseeable losses .
 - (iii) There were no amounts which were required to be transferred to Investor Education & Protection fund by the company.

Place: Gurgaon
Date: 2nd May, 2015

For Chandra Gupta & Associates
Chartered Accountants
FRN: 000259N


Rajeev Sabharwal
(Partner)

Membership No: 071742



PHILANA BUILDERS & DEVELOPERS PRIVATE LIMITED

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of PHILANA BUILDERS DEVELOPERS PRIVATE LIMITED

for the year Ended on 2015. We report that:

S. No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	N.A.
	(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 account;	N.A.
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	YES
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	YES
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Yes, the company is maintaining proper records. No material discrepancies were noticed by us.
(iii)	(iii) whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	No



	(a) whether receipt of the principal amount and interest are also regular; and	N.A.
	(b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	is there 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. Whether there is a continuing failure to correct major weaknesses in internal control system.	YES.
(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 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?	NO.
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	NO
(vii)	(a) is the company regular in depositing 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 any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	Yes the Company is regular in depositing undisputed statutory dues.



	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	N.A.
	(c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	N.A.
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	N.A.
(ix)	whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	NO
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	NO
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	N.A.
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	NO

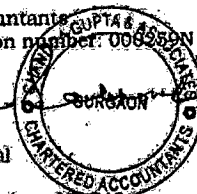
Place- GURGAON
Date- 02/05/2015

for Chandra Gupta & Associates

Chartered Accountants GUPTA & ASSOCIATES
Firm's registration number: 006250000

Rajeev Sabharwal
Partner

Membership number: 071742



Philana Builders & Developers Private Limited
Balance Sheet as at March 31, 2015

(Amount in Rs.)

Particulars	Notes	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	4	100,000	100,000
(b) Reserve and Surplus	5	4,313,590	4,366,523
Current Liabilities			
(a) Short Term Borrowing	6	-	15,600,000
(b) Other Current Liabilities	7	193,046,456	170,480,134
		<u>197,460,046</u>	<u>190,546,657</u>
II. ASSETS			
(A) Non-Current Assets			
a) Non Current Investments	8	5,012,707	200
b) Other Non Current Assets	9	2,273	2,000
(B) Current Assets			
a) Inventories	10	186,007,106	183,775,221
b) Cash and cash equivalents	11	1,110,554	1,441,830
c) Short term loan & advances	12	5,327,406	5,327,406
		<u>197,460,046</u>	<u>190,546,657</u>

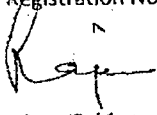
Summary of significant accounting policies

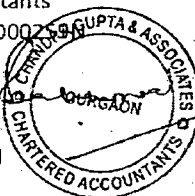
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See accompanying notes to the financial statements.

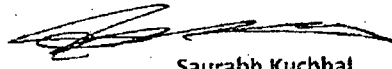
As per our report of even date attached


For and on behalf of
Chandra Gupta & Associates
Chartered Accountants
Registration No. 000719


Rajeev Sabharwal
Partner
Membership No.071742



For and on behalf of the Board of Directors


Saurabh Kuchhal
Director
DIN 03478112


Jai Prakash Gaur
Director
DIN 00904990

Place : Gurgaon
Dated : 2nd May, 2015

Philana Builders & Developers Private Limited
Statement of Profit and Loss for the year ended March 31, 2015

(Amount in Rs.)

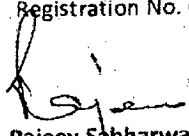
Particulars	Notes	For the year ended on March 31, 2015	For the year ended on March 31, 2014
REVENUE			
Total			
EXPENSES			
Purchases of Land	13	2,231,885	15,636,317
(Increase)/Decrease in inventories of land	14	(2,231,885)	(15,636,317)
Finance Cost	15	1,877	
Other expenses	16	49,056	29,168
Total		50,933	29,168
Profit/(loss) before tax		(50,933)	(29,168)
Tax expense		2,000	
Earlier Year tax		(52,933)	(29,168)
Profit (Loss) for the year after tax		(52,933)	(29,168)
Earnings per equity share			
Basic and Diluted	17	(5.29)	(2.92)

Summary of significant accounting policies 3

See accompanying notes to the financial statements.

As per our report of even date attached


For and on behalf of
Chandra Gupta & Associates
Chartered Accountants
Registration No. 000259


Rajeev Sabharwal
Partner
Membership No.071742



For and on behalf of the Board of Directors


Saurabh Kuchhal
Director
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Jai Prakash Gaur
Director
DIN 00904990

Place : Gurgaon
Dated : 2nd May, 2015