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S.R. BATHBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of YG Realty Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of YG Realty 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 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 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 the design, implementation and maintenance of adequate internal financial control 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, issued by the Institute of Chartered Accountants of India, as 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 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 effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.



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Chartered Accountants

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 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, 2015 ("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 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 purpose of our audit;
 - (b) In our opinion proper as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (d) 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;
 - (e) 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;
 - (g) On the basis of 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 March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 36 to the financial statements;



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

Firm Registration Number: 301003E



per **Amit Gupta**

Partner

Membership Number: 501396

Place of Signature: Gurgaon

Date: 18 MAY 2015



Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date

Re: YG Realty Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) All Fixed assets have been physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The Company does not hold any inventories of finished goods, stores, spare parts and raw materials. With regard to Land and development rights in land held for the Real Estate Projects, included under the head 'Inventories', the Company is maintaining proper records of inventory. Accordingly, clause 3 (ii) (a) and (b) of the Order, are not applicable to the Company.
- (iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, 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. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (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 section 148(1) of the Companies Act, 2013, related to construction activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including income-tax, sales-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to provident fund, employees' state insurance, excise duty, employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, service tax, sales-tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, excise duty, employees' state insurance are not applicable to the Company.



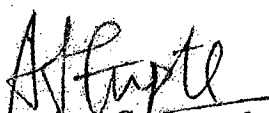
(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

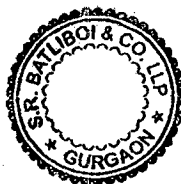
Name of the Statute	Nature of due	Amount Involved (Rs.)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	36,930,020 (net of amount paid of Rs. 9,200,000)	AY 2010-11	Income Tax Appellate Tribunal (ITAT)

(d) 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.

- (viii) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss during the current and immediately preceding financial year.
- (ix) Based on our audit procedure and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution or debenture holders. The Company did not have any outstanding dues in respect of a bank during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based on the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm Registration Number: 301003E


per **Amit Gupta**
Partner
Membership Number: 501396
Place: Gurgaon
Date: 18 MAY 2015



YG Realty Private Limited
Balance Sheet as at March 31, 2015

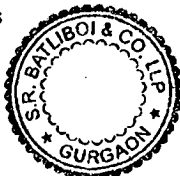
	Notes	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Equity and liabilities			
Shareholders' funds			
Share capital	3	15,002,000	15,002,000
Reserves and surplus	4	(373,835,081)	(111,961,734)
		<u>(358,833,081)</u>	<u>(96,959,734)</u>
Non current liabilities			
Long term borrowings	5	10,107,022,072	9,367,549,075
Other long term liabilities	6	608,606,099	182,694,085
Long-term provisions	7	1,391,070	1,898,854
		<u>10,717,019,241</u>	<u>9,552,142,014</u>
Current liabilities			
Short-term borrowings	8	-	24,000,000
Trade payables	9	56,958,814	2,783,200
Other current liabilities	9	37,696,248	1,300,052,141
Short-term provisions	7	42,278,196	7,305,554
		<u>136,933,258</u>	<u>1,334,140,895</u>
TOTAL		<u><u>10,495,119,418</u></u>	<u><u>10,789,323,175</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	10,172,399,186	8,063,384
Capital work in progress	11	-	8,948,051,928
Long-term loans and advances	12	134,412,508	904,161,102
Other non-current assets	13	33,214,491	60,568,141
		<u>10,340,026,185</u>	<u>9,920,844,555</u>
Current assets			
Inventories	14	-	753,836,750
Trade and other receivable	15	14,113,771	-
Cash and bank balances	16	41,686,690	4,416,611
Short-term loans and advances	12	67,632,031	82,645,881
Other current assets	13	31,660,741	27,579,378
		<u>155,093,233</u>	<u>868,478,620</u>
TOTAL		<u><u>10,495,119,418</u></u>	<u><u>10,789,323,175</u></u>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

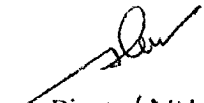
As per our report of even date


For S.R. Batliboi & Co LLP
Firm registration no.: 301003E
Chartered Accountants


per Amit Gupta
Partner
Membership No: 501396



For and on behalf of the Board of Directors of
YG Realty Private Limited


Director (DIN: 02816676)


Director (DIN: 04143929)


Company secretary


Chief Financial officer

Place : Gurgaon
Date: 18 MAY 2015

Place : Gurgaon
Date: MAY 18, 2015

YG Realty Private Limited
Statement of profit and loss for the year ended March 31, 2015


	Notes	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Income			
Revenue from operations	17	1,469,093,584	-
Other income	18.2	2,652,311	96,588
Total revenue (I)		1,471,745,895	96,588
Expenses			
Land purchase cost		62,160,000	-
(Increase)/ decrease in inventories	19	753,836,749	(142,120,907)
Employee benefit expenses	20	10,493,555	2,396,907
Other expenses	21	290,282,623	138,132,407
Total (II)		1,116,772,927	(1,591,593)
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		354,972,968	1,688,181
Finance costs	22	508,961,413	74,627,589
Depreciation and amortisation expenses	23	113,469,733	6,127,144
Interest income	18.1	(5,584,831)	(26,082,017)
Total expenses		616,846,315	54,672,716
Loss before tax		(261,873,347)	(52,984,535)
Tax expense			
Current tax		-	-
Total tax expense			
Loss for the year		(261,873,347)	(52,984,535)
Earnings/(loss) per equity share [nominal value of share Rs. 10 (March 31, 2014: Rs. 10)]			
Basic earnings per share	24	(174.56)	(35.32)
Computed on the basis of profit/(loss) from continuing operations			
Diluted earnings per share		(174.56)	(35.32)
Computed on the basis of profit/(loss) from continuing operations			

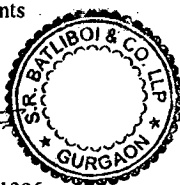
Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements


As per our report of even date


For S.R. Batliboi & Co LLP
 Firm registration no.: 301003E
 Chartered Accountants


 Amit Gupta
 Partner
 Membership No: 501396



For and on behalf of the Board of Directors of
 YG Realty Private Limited


 Director (DIN: 02816676)


 Director (DIN: 07143929)


 Company secretary


 Chief financial officer



Place : Gurgaon
 Date: 18 MAY 2015

Place : Gurgaon
 Date: MAY 18, 2015

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