

**ASHIANA AMAR DEVELOPERS (REGD.)
F.Y. 2013-2014**

AUDITOR'S REPORT

To,
The Partners of M/s Ashiana Amar Developers (Regd.)

We have audited (for Income Tax purpose) the accompanying financial statements of M/s Ashiana Amar Developers (Regd.), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss, Cash Flow Statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared, in all material aspects, in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 ;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

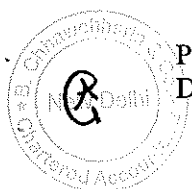
For **B. CHHAWCHHARIA & CO.**
Chartered Accountants
Firm registration No: 305123E

Abhishek Gupta

Abhishek Gupta
Partner

Membership No.: 529082

Place: New Delhi
Date: 17th May, 2014



ASHIANA AMAR DEVELOPERS (REGD.)
BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Notes	AS AT		AS AT	
		31.03.2014		31.03.2013	
		₹	₹	₹	₹
SOURCES OF FUNDS					
Partners' Capital Account	1		13,905,445		(12,689,057)
Current Liabilities					
Advance from Customers	2	1,044,865		154,704,236	
Trade Payables	3	520,562		6,133,056	
Other Current Liabilities	4	7,573,689		4,930,000	
Short-term Provisions	5	(1,209,753)		10,130,007	
			7,929,363		175,897,299
			<u>21,834,808</u>		<u>163,208,242</u>
ASSETS					
Non-current Assets					
Fixed Assets:					
Tangible Assets	6	-		2,792,908	
Intangible Assets		-		8,824	2,801,732
Current Assets					
Inventories	7	4,603,799		128,149,763	
Trade Receivables	8	16,980,575		20,992,878	
Cash & Cash Equivalents	9	(21,000)		4,272,057	
Short Term Loans & Advances	10	271,434	21,834,808	6,991,812	160,406,510
			<u>21,834,808</u>		<u>163,208,242</u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS	16				

The Notes referred above form an integral part of the accounts.
 In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.
 Chartered Accountants
 Firm Registration No: 305123E

Gupta

Abhishek Gupta
 Partner
 Membership No: 529082
 Place: New Delhi
 Date: 17th May, 2014

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[Signature]
 Ashiana Housing Ltd

Partners

VRG

[Signature]
 Ashiana Maintenance Services Ltd.



ASHIANA AMAR DEVELOPERS (REGD.)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Notes	2013-2014	2012-2013
		₹	₹
INCOME			
Revenue from Operations	11	251,510,311	238,546,615
Other Income	12	2,557,986	6,256,642
		<u>254,068,297</u>	<u>244,803,257</u>
EXPENDITURE			
Direct Cost:			
Project and Other Expenses	13	28,029,208	147,290,574
Changes in Inventories	14	118,988,932	(723,078)
		<u>147,018,140</u>	<u>146,567,496</u>
Selling Expenses		6,021,448	6,853,813
		<u>153,039,588</u>	<u>153,421,309</u>
PROFIT BEFORE TAX		101,028,709	91,381,948
Less: Tax Expenses	15	34,428,483	26,550,000
PROFIT FOR THE YEAR		<u>66,600,226</u>	<u>64,831,948</u>
Appropriation of Profit			
	%		Less: Taxation
Ashiana Housing Ltd.	95	95,977,274	32,707,059
Ashiana Maintenance Services Ltd. (Formerly Vatika Marketing Ltd.)	5	5,051,435	1,721,424
		<u>101,028,709</u>	<u>34,428,483</u>
			63,270,215
			61,590,351
			3,330,011
			3,241,597
			<u>64,831,948</u>

The Notes referred above form an integral part of the accounts.
In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants
Firm Registration No: 305123E

Gupta

Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
Date: 17th May, 2014

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VRG

[Signature]
Ashiana Housing Ltd

Partners

[Signature]
Ashiana Maintenance Services Ltd.



NOTES TO THE ACCOUNTS

	As at		As at	
	31.03.2014		31.03.2013	
	₹		₹	
1 PARTNERS' CAPITAL ACCOUNT				
Ashiana Housing Ltd.				
Balance B/F	(14,709,529)		66,718,503	
Net (Dr.)/ Cr. during the year	(40,005,725)		(143,018,383)	
Add: Share of profit	<u>63,270,215</u>	8,554,962	<u>61,590,351</u>	(14,709,529)
Ashiana Maintenance Services Ltd. (Formerly Vatika Marketing Ltd.)				
Balance B/F	2,020,472		7,578,874	
Net (Dr.)/ Cr. during the year	-		(8,800,000)	
Add: Share of profit	<u>3,330,011</u>	5,350,483	<u>3,241,598</u>	2,020,472
		<u>13,905,445</u>		<u>(12,689,057)</u>
2 ADVANCE FROM CUSTOMERS				
Customer Advance		<u>1,044,865</u>		<u>154,704,236</u>
		<u>1,044,865</u>		<u>154,704,236</u>
3 TRADE PAYABLES				
Sundry Creditors		<u>520,562</u>		<u>6,133,056</u>
		<u>520,562</u>		<u>6,133,056</u>
4 OTHER CURRENT LIABILITIES				
Security deposits		623,274		1,869,900
Other liabilities		<u>6,950,415</u>		<u>3,060,100</u>
		<u>7,573,689</u>		<u>4,930,000</u>
5 SHORT-TERM PROVISIONS				
Taxation (Net of Advance)		<u>(1,209,753)</u>		<u>10,130,007</u>
		<u>(1,209,753)</u>		<u>10,130,007</u>



NOTES TO THE ACCOUNTS

6. FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	As at 01.04.2013 ₹	Additions/ (Deductions) ₹	As at 31.03.2014 ₹	Upto 31.03.2013 ₹	For the Year/Adjustment ₹	Upto 31.03.2014 ₹	As at 31.03.2014 ₹	As at 31.03.2013 ₹
TANGIBLE ASSETS								
PLANT & MACHINERY	3,658,695	(3,658,695)	-	1,816,888	(1,816,888)	-	-	1,841,807
FURNITURE & FIXTURES	700,956	(700,956)	-	301,896	(301,896)	-	-	399,060
OFFICE FACILITIES & EQUIPMENTS	423,617	(423,617)	-	201,498	(201,498)	-	-	222,119
COMPUTER - HARDWARE	1,207,696	(1,207,696)	-	1,109,333	(1,109,333)	-	-	98,363
ELECTRICAL INSTALLATIONS	123,434	(123,434)	-	53,275	(53,275)	-	-	70,159
VEHICLE	427,945	(427,945)	-	266,545	(266,545)	-	-	161,400
Total	6,542,343	(6,542,343)	-	3,749,435	(3,749,435)	-	-	2,792,908
INTANGIBLE ASSETS								
COMPUTER SOFTWARE	55,150	(55,150)	-	46,326	(46,326)	-	-	8,824
Total	55,150	(55,150)	-	46,326	(46,326)	-	-	8,824
Grand Total	6,597,493	(6,597,493)	-	3,795,761	(3,795,761)	-	-	-
PREVIOUS YEAR FIGURES	6,106,801	490,692	6,597,493	3,224,970	570,791	3,795,761	-	2,801,732



NOTES TO THE ACCOUNTS

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
7 INVENTORIES		
<u>Stock</u> (As taken, valued and certified by the management)		
Land	349,908	11,421,399
Unsold Completed Construction	4,253,891	-
Work-in-Progress	-	112,171,332
Construction Materials	-	4,557,032
	<u>4,603,799</u>	<u>128,149,763</u>
8 TRADE RECEIVABLES		
(Unsecured, considered Good)		
Due for more than six months	16,209,769	323,025
Other Debts	770,806	20,669,853
	<u>16,980,575</u>	<u>20,992,878</u>
9 CASH AND CASH EQUIVALENTS		
Cash-in-hand	10,254	139,624
Balances with Scheduled Banks :		
In Current Account	(31,254)	4,132,433
	<u>(21,000)</u>	<u>4,272,057</u>
10 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for value to be Received	-	1,275,905
Unaccrued Selling Expenses	271,434	5,606,853
Deposits	-	109,054
	<u>271,434</u>	<u>6,991,812</u>
NOTES TO THE ACCOUNTS	2013-14	2012-13
11 REVENUE FROM OPERATIONS	₹	₹
<u>Real Estate:</u>		
Completed Projects (on Possession)	251,510,311	238,546,615
	<u>251,510,311</u>	<u>238,546,615</u>
12 OTHER INCOME		
Interest - Others	924,314	2,730,315
Miscellaneous Income	1,572,466	3,104,757
Liabilities Written back	61,206	421,570
	<u>2,557,986</u>	<u>6,256,642</u>
13 PROJECT AND OTHER EXPENSES		
(1) DIRECT PROJECT EXPENSES		
Consumption of construction materials (Indigenous)	7,940,574	87,734,192
Wages	1,034,832	13,909,858
PRW Charges	1,717,550	21,827,586
Power & Fuel	266,907	982,542
Architects' Fee and Consultancy Charges	132,462	412,300
Other Direct Construction Expenses	10,209,070	9,313,865
	<u>21,301,395</u>	<u>134,180,343</u>
(2) INDIRECT PROJECT EXPENSES		
Salary & Allowances	2,219,915	8,515,117
Staff welfare	153,274	966,804
Interest to others	10,171	10,160
Auditors' Remuneration:		
For Audit	101,124	90,000
For Tax Audit	16,854	15,000
For Other services	66,955	75,000
For Internal Audit	-	48,489
Travelling & conveyance	398,263	1,089,622
Rent	177,758	198,475
Legal & Professional Expenses	1,002,000	147,500
Repair & Maintenance		
To Machineries	21,696	173,388
To Building	121,228	317,837
To Others	137,855	203,517
Telephone, Telex & Fax	88,501	280,665
Printing & Stationery	84,302	269,658
Service Tax under VCES	2,009,927	-
Miscellaneous Expenses	117,990	138,208
Depreciation	-	570,791
	<u>6,727,813</u>	<u>13,110,231</u>
	<u>28,029,208</u>	<u>147,290,574</u>



14 **CHANGE IN INVENTORIES**

Opening Stock

Leasehold Land	11,421,399		23,331,463	
Unsold Completed Construction	-		13,664,519	
Work-in-Progress	<u>112,171,332</u>	123,592,731	<u>85,873,671</u>	122,869,653

Less: Closing Stock

Leasehold Land	349,908		11,421,399	
Unsold Completed Construction	4,253,891		-	
Work-in-Progress	-	4,603,799	112,171,332	123,592,731
		<u>118,988,932</u>		<u>[723,078]</u>

15 **TAX EXPENSES**

Income Tax		34,340,000		26,550,000
Tax Adjustments		88,483		-
		<u>34,428,483</u>		<u>26,550,000</u>



16 SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

SYSTEM OF ACCOUNTING :

The firm adopts accrual basis of accounting in the preparation of accounts.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

FIXED ASSETS AND DEPRECIATION:

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on reducing balance method at the rates given in the Income Tax Rules, 1962.

INVESTMENTS :

Long term investments are carried at acquisition cost and investments intended to be held for less than one year are classified as current investments and are carried at lower of cost and market value.

INVENTORIES :

Inventories are valued as follows:

Construction Material

At Lower of cost and net realizable value. However, materials and other items are not written down below cost if the constructed units in which they are used are expected to be sold at or above cost. Cost is determined on FIFO basis.

Land , Unsold Completed

Construction and Work in Progress

At Lower of cost and net realizable value. Cost includes direct materials, labour and construction overheads.

REAL ESTATE PROJECTS

- Revenue in respect of the projects is accounted for (i) on delivery of absolute physical possession of the respective units on completion or (ii) on deemed possession of the respective units on completion, as considered appropriate by the management based on circumstantial status of the project.
- Selling Expenses related to projects are charged to Profit & Loss Account in the year in which corresponding revenue is
- Interest on delayed payments and other charges are accounted for on certainty of realisation.

OTHER INCOME

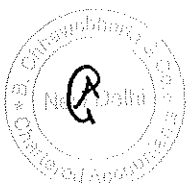
Other income is accounted on accrual basis except where the receipt of income is uncertain.

- Contingent Liability (not provided for) in respect of claims against the firm not acknowledged as debts
Income Tax ₹ 12.45 lacs (P.Y. ₹ 12.45 lacs)

- The original documents relating to the customers of the firm's project namely "Ashiana Amarbagh" at Village Kudi Bhagtasani, Jodhpur Pali Road, Jodhpur were seized by the Central Excise (Anti-Evasion), Jaipur on 19th September, 2013. In view of this, photocopies of such documents, to the extent available, were produced to the statutory auditors for verification.

- In accordance with Accounting Standard 17 "Segment Reporting" as issued by ICAI, the Firm has determined its business segment as Real Estate Business. Since there are no other business segments in which the Firm operates, there are no other primary reportable segments. Therefore, the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statements.

- Related parties and transactions with them as specified in the Accounting Standard 18 on "Related Parties Disclosures" issued by ICAI has been identified and given below on the basis of information available with the Firm and the same has been relied upon by the



Related Parties & Relationship

Transactions

		<u>2013-2014</u>	<u>2012-2013</u>
		₹	₹
a) Enterprises that directly, or indirectly through one or more intermediaries, Control or are controlled by or are under common control with the Firm (including holding companies, subsidiaries and fellow Subsidiaries) :			
i) Ashiana Housing Limited	Travelling Expenses Year end Payable/(Receivable)	9,031 Nil	39,753 Nil
ii) Ashiana Maintenance Services Limited (Formerly Vatika Marketing Limited)	Maintenance Charges Referral Fees Water Charges Commission Paid Year end Payable/(Receivable)	120,305 75,000 19,326 216,678 Nil	317,837 1,441,500 Nil Nil Nil

6 Previous year figures have been regrouped/rearranged, wherever found necessary.

Signatures to Schedule 1 to 16

In terms of our report of even date attached herewith
For B. CHHAWCHHARIA & CO.
Chartered Accountants
Firm Registration No: 305123E

Gupta

Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
Date: 17th May, 2014

AG

VRG

[Signature]

Ashiana Housing Ltd

[Signature]

Ashiana Maintenance Services Ltd.

Partners



ASHIANA AMAR DEVELOPERS (REGD.)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-2014	2012-2013
	₹	₹
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	101,028,709	91,381,948
Adjusted for :		
Depreciation	-	570,791
Loss on Sale of Fixed Assets	21,400	-
Interest Income (other than from customers)	-	-
Interest Paid	10,171	10,160
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	101,060,280	91,962,899
<i>Adjusted for :</i>		
Trade and other receivables	10,732,681	(14,326,201)
Inventories	123,545,964	4,868,825
Trade Payables and other liabilities	(156,628,176)	78,619,706
CASH GENERATED FROM OPERATIONS	78,710,749	161,125,229
Direct Taxes paid / adjusted	(45,768,243)	(17,507,520)
Cash flow before extra ordinary items	32,942,506	143,617,709
Extra Ordinary items	-	-
Net cash from Operating activities (A)	32,942,506	143,617,709
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase/Sale of Fixed Assets	2,780,332	(490,692)
Interest Income	-	-
Net Cash from investing activities (B)	2,780,332	(490,692)
CASH FLOW FROM FINANCING ACTIVITIES :		
Contribution/(withdrawals) from partners	(40,005,725)	(151,818,383)
Interest Paid	(10,171)	(10,160)
Net Cash from Financing activities (C)	(40,015,896)	(151,828,543)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+ B+ C)	(4,293,057)	(8,701,526)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,272,057	12,973,583
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(21,000)	4,272,057

01. Proceeds from long term and other borrowings are shown net of repayment.
02. Cash and Cash equivalents represent cash and bank balances only.

In terms of our report of even date attached herewith
B. CHHAWCHHARIA & CO.
Chartered Accountants
Firm Registration No: 305123E

Gupta

Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
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