

**VISTA HOUSING (REGD.)
F.Y. 2013-2014**

AUDITOR'S REPORT

To,
The Partners of M/s Vista Housing (Regd.)

We have audited (for Income Tax purpose) the accompanying financial statements of M/s Vista Housing (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

VISTA HOUSING (REGD.)

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Notes	AS AT		AS AT	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
		₹	₹	₹	₹
SOURCES OF FUND					
Partners' Account	1				
a) Manglam Partners					
i) Capital Accounts		55,570,354		4,695,542	
ii) Preferential Profit Account		(86,600,000)		(18,995,200)	
		<u>(31,029,646)</u>		<u>(14,299,658)</u>	
b) Ashiana Housing Ltd					
i) Capital Account		243,313,569		148,342,785	
		<u>243,313,569</u>	212,283,923	<u>148,342,785</u>	134,043,127
Current Liabilities					
Advance from Customers	2	38,477,910		-	
Trade Payables	3	6,336,796		2,946,099	
Other Current Liabilities	4	1,447,738	46,262,444	82,596	3,028,695
			<u>258,546,367</u>		<u>137,071,822</u>
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets					
	5		1,424,293		
Current Assets					
Inventories	6	221,911,474		137,071,822	
Trade Receivables	7	144,954		-	
Cash & Cash Equivalents	8	22,594,480		-	
Short Term Loans & Advances	9	12,471,165	257,122,074	-	137,071,822
			<u>258,546,367</u>		<u>137,071,822</u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS					
	13				

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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Ashiana Housing Ltd

NKG

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Manglam Build Developers Ltd.

Partners

[Signature]
Ram Babu Agarwal



VISTA HOUSING (REGD.)

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

Particulars	Notes	2013-2014	2012-2013
		₹	₹
INCOME			
Revenue from Operations		-	-
EXPENDITURE			
Direct Cost:			
Purchases	10	54,099,866	133,695,542
Project Expenses	11	27,282,985	3,376,280
Change in Inventories	12	(81,382,651)	(137,071,822)
		-	-
PROFIT FOR THE PERIOD		-	-

Appropriation of Profit

	Preferential Profit (Ashiana)		Preferential Profit Manglam Partners		Balance Profit		Net
	15%	Taxation	30%	Taxation	55%	Taxation	
Ram Babu Agarwal	N/A	N/A	-	-	12.50%	-	-
Manglam Build Developers Ltd.	N/A	N/A	-	-	37.50%	-	-
Ashiana Housing Ltd.	-	-	N/A	N/A	50.00%	-	-
	-	-	-	-	-	-	-

Cumulative Preferential Profit accrued -

Gross Entitlement to Preferential Profit as on 31.03.2014 150,000,000 410,000,000

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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Ashiana Housing Ltd

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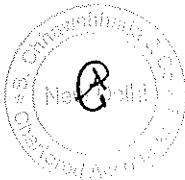
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Manglam Build Developers Ltd.

Partners

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Ram Babu Agarwal



NOTES TO THE ACCOUNTS

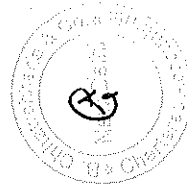
	As at 31.03.2014 ₹	As at 31.03.2013 ₹
1 PARTNERS' ACCOUNT		
a) MANGLAM PARTNERS		
i) Capital Accounts		
Rambabu Agarwal		
Opening Balance	-	-
Initial Capital Contribution	-	49,000,000
Net (Dr.)/ Cr. during the period	17,340,840	(49,000,000)
Add: Share of Profit	-	-
	17,340,840	-
Manglam Build Developers Ltd		
Opening Balance	4,695,542	-
Initial Capital Contribution	-	80,000,000
Net (Dr.)/ Cr. during the period	33,533,972	(75,304,458)
Add: Share of Profit	-	-
	38,229,514	4,695,542
	55,570,354	4,695,542
ii) Preferential Profit Account		
Rambabu Agarwal		
Opening Balance	-	-
Net (Dr.)/ Cr. during the period	-	-
Add: Share of Preferential Profit	-	-
	-	-
Manglam Build Developers Ltd		
Opening Balance	(18,995,200)	-
Net (Dr.)/ Cr. during the period	(67,604,800)	(18,995,200)
Add: Share of Preferential Profit	-	-
	(86,600,000)	(18,995,200)
	(86,600,000)	(18,995,200)
	(31,029,646)	(14,299,658)
b) ASHIANA		
i) Capital Account		
Ashiana Housing Ltd		
Opening Balance	148,342,785	-
Net (Dr.)/ Cr. during the period	94,970,784	148,342,785
Add: Share of Profit	-	-
	243,313,569	148,342,785
ii) Preferential Profit Account		
Ashiana Housing Ltd		
Opening Balance	-	-
Net (Dr.)/ Cr. during the period	-	-
Add: Share of Preferential Profit	-	-
	-	-
	243,313,569	148,342,785
	212,283,923	134,043,127
2 ADVANCE FROM CUSTOMERS		
Customer Advance	38,477,910	-
	38,477,910	-
3 TRADE PAYABLES		
Sundry Creditors	6,336,796	2,946,099
	6,336,796	2,946,099
4 OTHER CURRENT LIABILITIES		
Security deposits	139,878	-
Other liabilities	1,307,860	82,596
	1,447,738	82,596



NOTES TO THE ACCOUNTS

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	As at 01.04.2013 ₹	Additions/ (Deductions) ₹	As at 31.03.2014 ₹	Upto 01.04.2013 ₹	For the Year ₹	Up to 31.03.2014 ₹	As at 31.03.2014 ₹	As at 31.03.2013 ₹
TANGIBLE ASSETS								
PLANT & MACHINERY	-	768,039	768,039	-	57,603	57,603	710,436	-
OFFICE FACILITIES & EQUIPMENTS	-	188,947	188,947	-	14,171	14,171	174,776	-
FURNITURE & FIXTURES	-	264,073	264,073	-	13,204	13,204	250,869	-
COMPUTERS	-	411,731	411,731	-	123,519	123,519	288,212	-
TOTAL	-	1,632,790	1,632,790	-	208,497	208,497	1,424,293	-
PREVIOUS YEAR FIGURES	-	-	-	-	-	-	-	-



NOTES TO THE ACCOUNTS

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
6 INVENTORIES		
Stock (As taken, valued and certified by the management)		
Land	187,795,208	133,695,542
Work-in-Progress	30,659,265	3,376,280
Construction Materials	3,457,001	-
	<u>221,911,474</u>	<u>137,071,822</u>
7 TRADE RECEIVABLES		
(Unsecured, considered Good)		
Due for Less than six months	144,954	-
	<u>144,954</u>	<u>-</u>
8 CASH AND CASH EQUIVALENTS		
Cash-in-hand	242,285	-
Cheques-in-hand	14,000,000	-
Balances with Scheduled Banks :		
In Current Account	8,352,195	-
	<u>22,594,480</u>	<u>-</u>
9 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advance against purchase of EWS/LIG units	5,100,000	-
Advances Recoverable in Cash or in Kind or for value to be Received	2,956,283	-
Unaccrued Selling Expenses	2,327,337	-
Deposits	2,087,545	-
	<u>12,471,165</u>	<u>-</u>
	<u>2013-2014</u> ₹	<u>2012-2013</u> ₹
10 PURCHASES		
Land	54,099,666	133,695,542
	<u>54,099,666</u>	<u>133,695,542</u>
11 PROJECT EXPENSES		
Consumption of construction materials (Indigenous)	6,236,364	-
Wages	1,209,679	-
PRW charges	1,774,824	-
Power & Fuel	78,270	-
Architects' Fee and Consultancy Charges	1,721,542	-
Other Direct Construction Expenses	14,084,390	3,006,223
Personnel Cost	745,347	-
Establishment Charges	442,070	-
Interest		
- To a Partner	103,236	-
- Others	7,388	-
Auditors' Remuneration:		
For Audit	100,000	22,472
For Other services	18,000	-
Travelling & conveyance	250,596	-
Legal and Professional Fees	105,500	347,585
Repair & Maintenance - to others	15,280	-
Telephone, Telex & Fax	46,985	-
Printing & Stationery	107,860	-
Miscellaneous Expenses	27,158	-
Depreciation	208,497	-
	<u>27,282,985</u>	<u>3,376,280</u>
12 CHANGES IN INVENTORIES		
Opening Stock		
Land	133,695,542	-
Work-in-Progress	3,376,280	-
	<u>137,071,822</u>	<u>-</u>
Less: Closing Stock		
Land	187,795,208	133,695,542
Work-in-Progress	30,659,265	3,376,280
	<u>218,454,473</u>	<u>137,071,822</u>
	<u>(81,382,651)</u>	<u>(137,071,822)</u>



13 **NOTES ON ACCOUNTS**

1 SIGNIFICANT ACCOUNTING POLICIES

SYSTEM OF ACCOUNTING :

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

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.

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	At Lower of cost and net realizable value.
Unsold Completed Construction and Work in Progress	At Lower of cost and net realizable value. Cost includes direct materials, labour and Project specific direct and indirect expenses.

REAL ESTATE PROJECTS

- a) 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.
- b) Selling Expenses related to projects are charged to Profit & Loss Account in the year in which corresponding revenue is recognised based on (a) above.

OTHER INCOME

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

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ assumptions 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.

- 2 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 company and the same has been relied upon by the auditors.

Related Parties & Relationship

		<u>Transactions</u>	
		<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			
i) Ashiana Housing Limited (Holding Company)	Establishment Charges	442,070	Nil
	Personnel Cost	618,034	Nil
	Interest Paid	103,036	Nil
ii) Ashiana Maintenance Services Limited (Fellow Subsidiary)	Referral Fees Paid	375,000	Nil
	Year end Payable/(Receivable)	Nil	Nil

- 3 Previous year figure have been regrouped/rearranged, wherever found necessary.

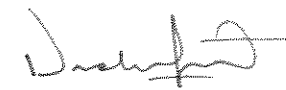
Signatures to Notes 1 to 13

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

NG 

Ashiana Housing Ltd

MLG 

Manglam Build Developers Ltd.

Ram Babu

Ram Babu Agarwal

Partners



VISTA HOUSING (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	-	-
Adjusted for :		
Depreciation	208,497	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>208,497</u>	-
Adjusted for :		
Trade and other receivables	(12,616,119)	-
Inventories	(84,839,652)	(137,071,822)
Trade Payables and other current liabilities	43,233,749	3,028,695
CASH GENERATED FROM OPERATIONS	<u>(54,013,526)</u>	<u>(134,043,127)</u>
Direct Taxes paid / adjusted	-	-
Cash flow before extra ordinary items	(54,013,526)	(134,043,127)
Extra Ordinary items	-	-
Net cash from Operating activities (A)	<u><u>(54,013,526)</u></u>	<u><u>(134,043,127)</u></u>
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,632,790)	-
Net Cash from investing activities (B)	<u><u>(1,632,790)</u></u>	-
CASH FLOW FROM FINANCING ACTIVITIES :		
Contribution/(withdrawals) from partners	78,240,796	134,043,127
Net Cash from Financing activities (C)	<u><u>78,240,796</u></u>	<u><u>134,043,127</u></u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)	22,594,480	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22,594,480	-

01. Cash and Cash equivalents represent cash and bank balances only.

In terms of our report of even date attached herewith

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

A Gupta

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

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Ashiana Housing Ltd

NKG

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Manglam Build Developers Ltd.

Partners

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Ram Babu Agarwal

