**IMPORTANT NOTICE**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the placement document (the "**Placement Document**") following this page and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Placement Document. In accessing the Placement Document, you have acknowledged and agreed to be bound by the following restrictions, terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. **You acknowledge that the Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person. The offer is personal to each prospective investor and made on a private placement basis and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors. The public cannot subscribe to the issue since it is a private placement.**

The issue and distribution of this Placement Document is being done in reliance on Chapter VIII and Schedule XVIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations"), as amended and Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

NOTHING HEREIN CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THE SECURITIES ARE OFFERED AND SOLD.

THE PLACEMENT DOCUMENT MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED, IN WHOLE OR IN PART, TO ANY PERSON IN THE UNITED STATES.

THE PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS WITH ANY REGISTRAR OF COMPANIES IN INDIA UNDER THE COMPANIES ACT, 2013 ("**COMPANIES ACT, 2013**"). THIS PLACEMENT DOCUMENT IS EXCLUSIVE TO THE RECIPIENT AND DOES NOT CONSTITUTE AN OFFER TO THE GENERAL PUBLIC TO SUBSCRIBE TO THE SECURITIES DESCRIBED IN THE PLACEMENT DOCUMENT. THE PLACEMENT DOCUMENT SHALL BE FILED AS A PRIVATE PLACEMENT OFFER LETTER WITH THE STOCK EXCHANGES. THE PLACEMENT DOCUMENT HAS NOT BEEN REVIEWED AND APPROVED BY ANY REGULATORY AUTHORITY IN INDIA OR ABROAD, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA. THE PLACEMENT DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA.

You have accessed the Placement Document on the basis that you have confirmed your representation to Ashiana Housing Limited (the "**Company**") and the Book Running Lead Manager to the Issue that (1) you are the intended recipient of the attached Placement Document; (2) you are located outside the United States, and are not acting on behalf of anyone located in the United States, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and to the extent that you purchase the securities described in the attached Placement Document, you will be doing so pursuant to Regulation S under the Securities Act; (3) the securities offered hereby have not been registered under the Securities Act; (4) you are a “qualified institutional buyer” as defined under Regulation 2(1)(zd) in the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws; (5) you are not a resident in a country where delivery of the attached Placement Document by electronic transmission may not be lawfully made in accordance with the laws of the applicable jurisdiction; and (6) that you consent to delivery of the Placement Document by electronic transmission and any amendments and supplements thereto by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Book Running Lead Manager to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute “directed selling efforts” (as defined in Regulation S under the Securities Act) in the United States or elsewhere.

You are reminded that the Placement Document has been delivered to you on the basis that you are a person into whose possession the Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you are not authorized to deliver this Placement Document, electronically or otherwise, to any other person. The materials relating to the offering of securities referred to in the Placement Document do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. You have agreed that your name and contact details shall be submitted to the Registrar of Companies and the Securities and Exchange Board of India, as required by the Companies Act, 2013.

The attached Placement Document is being furnished in connection with an offering solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

The Placement Document has been made available to you in electronic form. You are reminded that documents transmitted through this medium may be altered or changed during the process of transmission and consequently none of the Company and the Book Running Lead Manager or any of its employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Placement Document distributed to you in electronic format and the hard copy version. A hard copy version will be provided upon request.

The Placement Document is intended only for use by the addressee named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of the Placement Document, you are hereby notified that any dissemination, distribution or copying of the Placement Document is strictly prohibited. If you have received the Placement Document in error, please immediately notify the sender or the Company by reply email and destroy any printouts of it.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**Actions That You May Not Take:** If you receive the attached Placement Document by e-mail, you should not reply by e-mail to this message, and you may not purchase any Equity Shares by doing so. Any reply e-mail communications will be ignored or rejected.

Neither the Company nor any of its affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Placement Document or their respective contents or otherwise arising in connection therewith.

**Strictly Confidential - Not for Circulation**
**Placement Document**
**Subject to Completion**
**Serial Number: [●]**
**Date: February 5, 2015**

# ASHIANA HOUSING LIMITED

*(Incorporated in the Republic of India as a limited liability company under the Companies Act, 1956 with corporate identification number: L70109WB1986PLC040864)*
*Registered office: 5F, Everest, 46/C, Chowringhee Road, Kolkata – 700 071, West Bengal, India; Corporate office: 304, Southern Park, Saket District Centre, Saket, New Delhi- 110 017, India, telephone: +91-11-4265 4265, fax: +91-11-4265 4200, email: investorrelations@ashianahousing.com; website: www.ashianahousing.com*

Ashiana Housing Limited (the "**Company**") is issuing upto 9,302,324 equity shares of face value ₹ 2 each, (the "**Equity Shares**") at a price of ₹ 215 per Equity Share, ("**Issue Price**"), including a premium of ₹ 213 per Equity Share, aggregating upto ₹ 2,000 million (the **"Issue"**).

**ISSUE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AND CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS").**

**THE ISSUE AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AND CHAPTER VIII OF THE SEBI REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs"), AS DEFINED IN THE SEBI REGULATIONS. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO EQUITY SHARES.**

Invitations for subscription of the Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document, this Placement Document, the Application Form and Confirmation of Allocation Note. For further details, see the section "Issue Procedure" on page 127. The distribution of this Placement Document or the disclosure of its contents without the Company's prior consent to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

Copies of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) have been delivered to the National Stock Exchange of India Limited (the "**NSE**"), the BSE Limited (the "**BSE**", and together with the NSE, the "**Stock Exchanges**"). Copies of the Placement Document (which includes disclosures prescribed under Form PAS-4) have been filed with the Stock Exchanges in accordance with the SEBI Regulations. The Preliminary Placement Document and this Placement Document has not been reviewed by the Securities and Exchange Board of India (the "**SEBI**"), the Reserve Bank of India (the "**RBI**"), the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. Our Company shall make the requisite filings with the Registrar of Companies (the "**RoC**") and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Issue is meant only for QIBs by way of a private placement and is not an offer to the public or to any other class of investors.

**INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY FUNDS IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" ON PAGE 38 OF THIS PLACEMENT DOCUMENT BEFORE TAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES TO IT OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.**

The information on our Company's website or any website directly or indirectly linked to our Company's website does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

All of our Company's outstanding Equity Shares are listed on the Stock Exchanges. The closing price of the outstanding Equity Shares on the NSE and BSE on February 2, 2015 was ₹ 219.65 and ₹ 220.45 per Equity Share, respectively. In-principle approvals under Clause 24(a) of the Listing Agreement for listing of the Equity Shares has been received from the Stock Exchanges on February 3, 2015. Applications to the Stock Exchanges will be made for obtaining the listing and trading approval for the Equity Shares offered through this Placement Document. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

**YOU MAY NOT AND ARE NOT AUTHORIZED TO: (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS. THE COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.**

The Equity Shares to be issued pursuant to this Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and unless so registered may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales occur. See the sections "Selling Restrictions" and "Transfer Restrictions" on page 139 and 144, respectively.

**BOOK RUNNING LEAD MANAGER**

**RELIGARE CAPITAL MARKETS LIMITED**
901, 9th Floor, Tower I, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinston Road, Mumbai – 400013

This Placement Document is dated February 5, 2015.

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## NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and to the best of its knowledge and belief, after having made all reasonable enquiries, confirms that this Placement Document contains all information with respect to our Company and our subsidiaries, joint ventures and associate companies (together, the "**Group**") and the Equity Shares which are material in the context of this Issue. The statements contained in this Placement Document relating to our Company, the Group and the Equity Shares are, in all material respects, true and accurate and not misleading; the opinions and intentions expressed in this Placement Document with regard to our Company, the Group and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to our Company and are based on reasonable assumptions. There are no other facts in relation to our Company, the Group and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements.

The BRLM or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates do not make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the BRLM or on any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of the Group and the merits and risks involved in investing in the Equity Shares issued pursuant to this Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company or by or on behalf of the BRLM. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been recommended by any foreign federal or state securities commission or regulatory authority. The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Company and the BRLM which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and unless so registered may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described in the section "Transfer Restrictions" on page 144. Subscriber of the Equity Shares will be deemed to make the representations set forth in the sections "Representations by Investors" and "Transfer Restrictions" on page 3 and 144, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than QIBs specified by the BRLM or its representatives, and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

In making an investment decision, investors must rely on their own examination of the Group and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither the Company nor the BRLM are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations. **Each subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Company under Indian law, including Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013, and that it is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in the securities or otherwise accessing the capital markets in India including the Equity Shares. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from the Company and review information relating to the Company and the Equity Shares.**

This Placement Document contains summaries of certain terms of certain documents, these summaries are qualified in their entirety by the terms and conditions of such document. All references herein to "you" or "your" is to the prospective investors of the Issue.

The information on the Company's website, www.ashianahousing.com, any website directly and indirectly linked to the website of the Company or on the website of the BRLM, does not constitute nor form part of this Placement Document. Prospective investors should not rely on the information contained in, or available through such websites.

***NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS***

For information in certain other jurisdictions see sections "Selling Restrictions" and "Transfer Restrictions" on page 139 and 144, respectively.

## REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" is to the prospective investors in the Issue.

By subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged and agreed with our Company and the BRLM, as follows:

- You are a QIB as defined in Regulation 2(1)(zd) of the SEBI Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you for the purposes of your business in accordance with Chapter VIII of the SEBI Regulations and undertake to comply with the SEBI Regulations, the Companies Act and all other applicable laws, including any reporting obligations;

- If you are not a resident of India, but are a QIB (other than a multilateral and bilateral development financial institution), you are an FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) or an Eligible FPI or an FVCI, and have a valid and existing registration with the SEBI under the applicable laws in India and you are eligible to invest in India under applicable laws, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA 20**") and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges;

- You have made, or been deemed to have made, as applicable, the representations and warranties as set forth in sections "Selling Restrictions" and "Transfer Restrictions" on page 139 and 144, respectively;

- You are aware that the Equity Shares have not been and will not be registered under the Companies Act, the SEBI Regulations or under any other law in force in India. The Preliminary Placement Document and this Placement Document has not been reviewed, verified or approved by the SEBI, the RBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has been filed with the Stock Exchanges for record purposes only and will be displayed on the websites of our Company and the Stock Exchanges. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014;

- You have fully observed the laws of all relevant jurisdictions that apply to you and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities;

- You are entitled to subscribe for and acquire the Equity Shares under the laws of all the relevant jurisdictions that apply to you and that you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorities and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honor such obligations;

- You understand that neither the Company nor the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLM. Neither the BRLM nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents (the "**Company Presentations**") with regard to the Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that the Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information relating to the Company and the Issue that was not publicly available;

- You are, at the time the Equity Shares are purchased, located outside of the United States (within the meaning of Regulation S) and you are not an affiliate of the Company or a person acting on behalf of such an affiliate;

- You are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and you shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. The Company assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public, and the Allotment of the same shall be on a discretionary basis;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read these in their entirety, including in particular, the section "Risk Factors" on page 38;

- In making your investment decision, you have (i) relied on your own examination of the Group and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of the Group, the Equity Shares and the terms of the Issue based solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by the Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) received all information that you believe is necessary or appropriate in order to make an informed investment decision in respect of the Group and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the BRLM nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the

Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against the Company or the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to the Company and/or the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by the Company of any of its respective obligations or any breach of any representations and warranties by the Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a member of our "Promoter Group" as defined in the SEBI Regulations and are not a person related to our Promoters, either directly or indirectly and have no rights under a shareholders' agreement or voting agreement with our Promoters or persons related to our Promoters, no veto rights or right to appoint any nominee director on the Board of Directors of our Company (the "**Board**"), other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, which shall not be deemed to be a person related to our Promoters;

- You agree that in terms of Section 42(7) of the Companies Act, 2013, we shall file the list of QIBs (to whom the Placement Document are circulated) along with other particulars with the RoC and SEBI within 30 days of circulation of the Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You will have no right to withdraw your Bid after the Bid/Issue Closing Date;

- You are eligible to apply and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**");

- To the best of your knowledge and belief, your aggregate holding, together with other QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) the expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

  (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that if you are Allotted more than 5% of the Equity Shares in this Issue, our Company is required to disclose your name and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures. Further, if you are one of the top 10 shareholders, our Company will be required to make a filing with the RoC within 15 days of the change as per Section 93 of the Companies Act, 2013;

- You are aware that (i) application for in-principle approval, in terms of clause 24(a) of the Listing Agreement, for listing and admission of the Equity Shares and for trading on Stock Exchanges was made and approval has been received from them, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approval for listing of the Equity Shares will be obtained in time or at all. The Company shall not be responsible for any delay or non-receipt of such final approval or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLM has entered into a Placement Agreement with the Company, whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, agreed to manage the Issue and use reasonable efforts as agents of the Company to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Placement Document are exclusively the responsibility of the Company, and neither the BRLM nor any person acting on its behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of the Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or the Company or any of their respective affiliates or any other person, and neither the BRLM nor the Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You understand that the BRLM does not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including nonperformance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

- You are eligible to invest in India under applicable laws, including the FEMA 20, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Delhi, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold the Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the

Equity Shares by, or on behalf of, the managed accounts; and

- The Company, the BRLM, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Company and the BRLM, and are irrevocable.

## OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations (as defined below), FPIs (other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated) may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying, and all such offshore derivative instruments are referred to herein as "P-Notes"), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities subject to compliance with 'know your client' requirements. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Company. The Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and do not constitute any obligations of or claims on the BRLM. Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

## DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

(2) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against any of the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in the Issue, references to the 'Company', 'Ashiana, 'Issuer', 'we', 'us' or 'our' are to Ashiana Housing Limited.

In this Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words "lakh" or "lac" mean "100 thousand" and the word "million" means "10 lakh" and the word "crore" means "10 million" or "100 lakhs" and the word "billion" means "1,000 million" or "100 crores".

The Financial Year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year' or 'financial' or 'FY' are to the twelve month period ended on March 31 of that year. The audited consolidated financial statements of our Company as of and for the Financial Years ended March 31, 2012, 2013 and 2014, respectively, audited by M/s. B. Chhawchharia & Co., Chartered Accountants and unaudited condensed consolidated interim financial statements of our Company as of and for the six month period ended September 30, 2014 reviewed by M/s. B. Chhawchharia & Co., Chartered Accountants were prepared in accordance with Indian GAAP are included in this Placement Document in the section "Financial Statements" on page 172.

Our Company publishes its financial statements in Indian Rupees. The audited consolidated financial statements and unaudited condensed consolidated interim financial statements of our Company included herein have been prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from International Financial Reporting Standards (the "**IFRS**") and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. See the section "Risk Factors – Risks Relating to Doing Business in India" on page 51. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

## INDUSTRY AND MARKET DATA

Information included in this Placement Document regarding market position, growth rates and other industry data pertaining to our businesses consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which our Company operates. Unless stated otherwise statistical information included in this Placement Document pertaining to the various sectors in which we operate has been reproduced from trade, industry and government publications and websites. We confirm that such information and data has been accurately reproduced, and that as far as they are aware and are able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

Neither we nor the BRLM have independently verified this data, nor do we or the BRLM make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the BRLM can assure potential investors as to their accuracy.

**The extent to which the market and industry date used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.**

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Company are also forward-looking statements. However, these are not the exclusive means of identifying forward- looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company’s business strategy, future projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by the Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of the Company to be materially different from any of the forward-looking statements include, among others:

- Our ability to acquire development rights and complete our projects successfully;
- Our ability to acquire suitable sites for development and the cost of acquiring such sites;
- Our ability to successfully, within acceptable financial parameters, pre-sell properties in our projects;
- The expected growth of the real estate market in India;
- The anticipated demand for our properties and related capital expenditures and investments;
- Whether we can successfully execute our business strategies and carry out our growth plans;
- Macroeconomic factors such as interest rates, unemployment rates, foreign direct investment in India, wages and disposable income, availability of adequate credit and affordable financing and consumer confidence in India;
- Changes in Government laws and regulations and their interpretation, including property laws and tax laws, as well as the level of enforcement of such laws and regulations;
- Significant delays in obtaining or renewing our various permits, proper legal titles or approvals for our Ongoing and Future Projects;
- Changes in our needs for capital and the availability and cost of financing and capital to fund these needs;
- Competition in the Indian real estate industry, including changes in real estate prices and sales activity;
- Our ability to anticipate and respond to consumer preferences for residential real estate;
- Changes in our senior management team or loss of key employees;
- The availability and cost of labor and building and construction materials, including the ability to secure materials and subcontractors;
- Our ability to comply with the terms of our financing and other agreements; and
- Construction delays and weather conditions.

Additional factors that could cause actual results, performance or achievements of the Company to differ materially include, but are not limited to, those discussed under the sections “Risk Factors”, “Industry”, “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 38, 86, 93 and 64, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to the management of the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of the Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a company incorporated with limited liability under the laws of India. All of our Company‘s Directors and executive officers are residents of India and all the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**"). Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except:

(a) where it has not been pronounced by a court of competent jurisdiction;
(b) where it has not been given on the merits of the case;
(c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;
(d) where the proceedings in which the judgment was obtained were opposed to natural justice;
(e) where it has been obtained by fraud; or
(f) where it sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of section 44A of the Civil Code but the United States has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the judgement and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed off in a timely manner or be subject to considerable delays.

## EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. dollar (in Rupees per U.S. dollar) The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI.

On February 2, 2015 the exchange rate (RBI reference rate) was ₹ 61.88 to US$ 1.00. (Source: www.rbi.org.in)

| | **Period end** | **Average[1]** | **High** | **Low** |
|---|---|---|---|---|
| **Financial Year:** | | | | (₹ Per US$) |
| 2014 | 60.10 | 60.50 | 68.36 | 53.74 |
| 2013 | 54.39 | 54.45 | 57.22 | 50.56 |
| 2012 | 51.16 | 47.95 | 54.24 | 43.95 |
| | | | | |
| **Quarter ended:** | | | | |
| December 31, 2014 | 63.33 | 62.00 | 63.75 | 61.04 |
| September 30, 2014 | 61.61 | 60.59 | 61.61 | 59.72 |
| June 30, 2014 | 60.09 | 59.77 | 61.12 | 58.43 |
| | | | | |
| **Month ended:** | | | | |
| January 31, 2015 | 61.76 | 62.23 | 63.45 | 61.41 |
| December 31, 2014 | 63.33 | 62.74 | 63.75 | 61.85 |
| November 30, 2014 | 61.97 | 61.70 | 62.10 | 61.39 |
| October 31, 2014 | 61.41 | 61.34 | 61.75 | 61.04 |
| September 30, 2014 | 61.61 | 60.86 | 61.61 | 60.26 |
| August 31, 2014 | 60.47 | 60.90 | 61.56 | 60.43 |

***Note:***

1. Average of the official rate for each working day of the relevant period.

No representation is made that the Rupee amounts actually represent such amounts in U.S. dollars or could have been or could be converted into U.S. dollars at the rates indicated, any other rates, or at all.

*Source: Reserve Bank of India (www.rbi.org.in)*

Although our Company has converted selected Rupee amounts in this Placement Document into U.S. dollars for convenience, such conversions should not be considered as a representation that such U.S. dollar amounts have been, could have been or could be converted into Rupee amounts at any particular rate, the rate stated above or at all. There are certain restrictions on the conversion of Rupees into U.S. dollars.

## DEFINITIONS AND ABBREVIATIONS

The Company has prepared this Placement Document using certain definitions and abbreviations which you should consider when reading the information contained herein.

### Company Related Terms

| Term | Description |
|---|---|
| "Company", "Issuer", "Ashiana", "we", "us" or "our" | Ashiana Housing Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 5F, Everest, 46/C, Chowringhee Road, Kolkata – 700 071, West Bengal, India |
| Articles/ Articles of Association | Articles of association of our Company, as amended from time to time |
| Auditors | The current statutory auditors of the Company, M/s. B. Chhawchharia & Co., Chartered Accountants |
| Board/ Board of Directors | The board of directors of our Company or duly constituted committee thereof |
| Directors | The directors of our Company |
| Equity Shares | Equity shares of our Company having face value of ₹ 2 each |
| Memorandum/ Memorandum of Association | Memorandum of association of our Company, as amended from time to time |
| Partnership Firms | Partnership firms in which our Company has a share, namely, Ashiana Greenwood Developers, Megha Colonizers, Ashiana Mangalam Developers, Ashiana Mangalam Builders, Vista Housing and Ashiana Amar Developers |
| Promoters | Promoter(s) of the Company i.e. Mr. Vishal Gupta, Mr. Ankur Gupta and Mr. Varun Gupta |
| Promoter Group | Promoter group of the Company as defined in Regulation 2(1)(zb) of the SEBI Regulations |
| Registered Office | The registered office of the Company located at 5F, Everest, 46/C, Chowringhee Road, Kolkata – 700 071, West Bengal, India |
| Subsidiaries | The subsidiaries of our Company, namely, Ashiana Maintenance Services Limited, Latest Developers Advisory Limited, Topwell Projects Consultants Limited, MG Homecraft LLP, Neemrana Builders LLP, Vista Housing and Ashiana Amar Developers |

### Issue Related Terms

| Term | Description |
|---|---|
| Allocated/ Allocation | The allocation of Equity Shares following the determination of the Issue Price to QIBs on the basis of the Application Form submitted by them, by the Company in consultation with the Book Running Lead Manager and in compliance with Chapter VIII of the SEBI Regulations |
| Allot/ Allotment/ Allotted | Unless the context otherwise requires, the issue and allotment of Equity Shares to be issued pursuant to the Issue |
| Allottees | QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue |
| Application Form | The form (including any revisions thereof) pursuant to which a QIB shall submit a Bid for the Equity Shares in the Issue |
| Bid(s) | Indication of interest of a QIB, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares |
| Bid/ Issue Closing Date | February 5, 2015, which is the last date up to which the Application Forms shall be accepted |
| Bid/ Issue Opening Date | February 3, 2015, which is the date on which acceptance of Application Forms shall commence. |
| Bid/ Issue Period | Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids |
| Bidder | Any prospective investor, a QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form |
| BRLM/ Book Running Lead Manager | Book running lead manager to the Issue, namely, Religare Capital Markets Limited |
| CAN/ Confirmation of Allocation Note | Note or advice or intimation to the QIBs confirming the Allocation of Equity Shares to such QIBs after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares allocated to such QIBs |
| Cut - off Price | The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by the Company in consultation with the BRLM |
| Designated Date | The date of credit of the Equity Shares to the QIB's demat account, as applicable to the respective QIBs |
| Escrow Agent | HDFC Bank Limited |
| Escrow Agent Account | The account entitled "Ashiana Housing Limited – QIP Escrow Account" with regard to any money received towards the subscription of the Equity Shares, opened with the Escrow Agent, subject to the terms of the Escrow Agreement |

| Term | Description |
|---|---|
| Escrow Agreement | Agreement dated February 3, 2015, entered into amongst the Company, the Escrow Agent and the BRLM for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders |
| Floor Price | The floor price of ₹ 222.02 which has been calculated in accordance with Chapter VIII of the SEBI Regulations. Our Company has offered a discount of up to ₹ 7.02 to the Floor Price of ₹ 222.02 in accordance with the proviso to Regulation 85(1) of the SEBI Regulations. |
| Issue | The offer, issue and Allotment of 9,302,324 Equity Shares to QIBs, pursuant to Chapter VIII of the SEBI Regulations and the provisions of the Companies Act, 2013 |
| Issue Price | ₹ 215 per Equity Share |
| Issue Size | The issue of 9,302,324 Equity Shares aggregating up to ₹ 2,000 million |
| Listing Agreement(s) | The agreement(s) entered into between the Company and the Stock Exchanges in relation to listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges |
| Lock-up Period | 180 days |
| Mutual Fund | A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended |
| Mutual Fund Portion | 10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds |
| Net Proceeds | ₹ 1,958.60 million |
| Pay-In Date | The last date specified in the CAN for payment of application monies by the QIBs in relation to the Issue. |
| Placement Agreement | Agreement dated February 3, 2015 entered into amongst the Company and the BRLM |
| Placement Document | This placement document dated Februaruy 4, 2015 issued in accordance with Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013 |
| Preliminary Placement Document | The preliminary placement document dated February 3, 2015 issued in accordance with Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013 |
| QIBs or Qualified Institutional Buyers | Qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI Regulations and as maybe permitted by applicable laws to acquire the Equity Shares to be issued pursuant to the Issue |
| QIP | Qualified institutions placement under Chapter VIII of the SEBI Regulations |
| Relevant Date | February 3, 2015 which is the date of the meeting of the Board, or any committee duly authorised by the Board, decided to open the Issue |

## Conventional and General Terms/ Abbreviations

| Term/Abbreviation | Full Form |
|---|---|
| AGM | Annual General Meeting |
| AIF(s) | Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| AY | Assessment Year |
| BSE | BSE Limited |
| Category III Foreign Portfolio Investor | An FPI registered as a category III foreign portfolio investor under the SEBI FPI Regulations |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identification Number |
| Civil Procedure Code | The Code of Civil Procedure, 1908 |
| Companies Act | Companies Act, 1956 or the Companies Act, 2013, as applicable |
| Companies Act, 1956 | Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) |
| Companies Act, 2013 | The Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections |
| Competition Act | The Competition Act, 2002, as amended |
| Delisting Regulations | Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time |
| Depositories Act | The Depositories Act, 1996, as amended |
| Depository | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 |
| Depository Participant / DP | A depository participant as defined under the Depositories Act, 1996 |
| DP ID | Depository Participant’s Identity |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortisation |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share, i.e., profit after tax for a Financial Year divided by the weighted average outstanding number of equity shares during that Financial Year |
| FCNR(B) | Foreign currency non-resident (bank) |
| FDI | Foreign Direct Investment |

| Term/Abbreviation | Full Form |
|---|---|
| FDI Policy | Consolidated Foreign Direct Investment Policy notified under Circular No. 1 of 2014, effective from April 17, 2014, as amended from time to time |
| FEMA | The Foreign Exchange Management Act, 1999 |
| FEMA 20 | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended |
| FIIs | Foreign institutional investors as defined under the SEBI FPI Regulations |
| Financial Year | Period of 12 months ended 31 March of that particular year, unless otherwise stated |
| FIPB | Foreign Investment Promotion Board of the Ministry of Finance, Government of India |
| Form PAS-4 | Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014 |
| FPI | Foreign portfolio investors as defined under the SEBI FPI Regulations and includes person who has been registered under the SEBI FPI Regulations. Any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration is deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| FVCI | Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended |
| GAAP | Generally accepted accounting principles |
| GIR Number | General Index Registry Number |
| GoI / Government | Government of India |
| ICAI | The Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards of the International Accounting Standards Board |
| India | The Republic of India |
| Indian GAAP | Generally accepted accounting principles in India |
| IT Act | The Income Tax Act, 1961, as amended |
| Interest Coverage Ratio | The sum of profit for the year from continuing operations , exceptional item, depreciation and amortisation expense, lease equalisation charges, advance written off during the year, goodwill on investment amortised, bad debt / provision for bad debts, liability no longer required written back, employee stock option compensation expense, interest paid divided by interest paid |
| Listing Agreement | Listing Agreement executed between the Company and the Stock Exchanges |
| Mn / Million | Million |
| NEAT | National Exchange for Automated Trading |
| Notified Sections | Sections of the Companies Act, 2013 that have been notified by the Government of India |
| NRI | Non-resident Indian |
| NSDL | National Securities Depositaries Limited |
| NSE | The National Stock Exchange of India Limited |
| p.a. | Per annum |
| PAN | Permanent Account Number |
| RBI | Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934, as amended |
| Regulation S | Regulation S under the Securities Act, 1933 |
| RoC | Registrar of Companies |
| Rs. / Rupees / INR/ ₹ | Indian Rupees |
| SCR (SECC) Rules | Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, notified by the SEBI |
| SCRA | Securities Contracts (Regulation) Act 1956, as amended |
| SCRR | Securities Contracts (Regulation) Rules 1957, as amended |
| SEBI | The Securities and Exchange Board of India |
| SEBI Act | The Securities and Exchange Board of India Act, 1992, as amended |
| SEBI FII Regulations | The Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended |
| SEBI FPI Regulations | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, amended |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended |
| SEBI Regulations | The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended |
| SEC | United States Securities and Exchange Commission |
| SENSEX | Index of 30 stocks traded on BSE representing a sample of large and liquid listed companies |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985, as amended |
| Stock Exchanges | NSE and BSE |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended |
| Trademarks Act | The Trademarks Act, 1999 |

| Term/Abbreviation | Full Form |
|---|---|
| U.S. $ / U.S. dollar | United States Dollar, the legal currency of the United States of America |
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| USA / U.S. / United States | The United States of America |
| U.S. Securities Act | The U.S. Securities Act of 1933, as amended |
| VCF | Venture Capital Fund |

**Industry and Business Related Terms**

| Term | Description |
|---|---|
| Architect Certificate | Certificate dated January 21, 2015 issued by Mr. Biswajit Sengupta in relation to projects developed/ being developed/ to be developed by the Company and its Subsidiaries and other consolidated entities. |
| BHK | Bedroom Hall Kitchen |
| BMA | Bhiwadi Manufacturers' Association |
| CARE | Credit Analysis and Research Limited, credit rating agency. |
| CISCO | Computer Information Systems Company |
| CNBC | Consumer News and Business Channel |
| Completed Projects | Projects which have been completed by the Company and/or the Subsidiaries, Associates and/or joint ventures, and for which an Architect Certificate has been obtained by the Company. It is clarified that every completed phase of a project shall be treated as a Completed Project. |
| CPI | Consumer Price Index |
| CREDAI | Confederation of Real Estate Developers' Associations of India |
| CRR | Cash Reserve Ratio |
| DMIC | Delhi Mumbai Industrial Corridor |
| EMEs | Emerging Market Economies |
| FAR | Floor Area Ratio |
| FICCI | Federation of Indian Chambers of Commerce and Industry |
| Future Projects | Projects (or phase thereof) in respect of which (i) all title, development rights or other interest in the land is held either directly by our Company and/or our Subsidiaries and/or other entities in which our Company and/or our Subsidiaries have a stake; and (ii) our management has commenced with the formulation of development plans. |
| GDP | Gross Domestic Profit |
| ICD | Inland Container Depot |
| ICRA | ICRA Limited, credit rating agency |
| ITES | Information Technology Enabled Service |
| Land available for Future Development | Lands in which we have obtained any right or interest, or have entered into agreements to sell/memorandum of understanding with respect to such rights or interest, as the case may be, and which does not form part of our Completed, Ongoing and Future Projects. |
| LAF | Liquidity Adjustment Facility |
| NCR | National Capital Region |
| NDTL | Net Demand and Time Liability |
| Ongoing Projects | Projects in respect of which (i) all title, development rights or other interest in the land is held either directly by our Company and/or our Subsidiaries and/or other entities in which our Company and/or our Subsidiaries have a stake; (ii) wherever required, all land for the project has been converted for intended land use; and (ii) construction development activity has commenced. It is clarified that every ongoing phase of a project shall be treated as an Ongoing Project. |
| PE | Provisional Estimate |
| RE | Revised Estimates |
| RICS | Royal Institution of Chartered Surveyors |
| Saleable Area | The total area of the projects of the Company whether of Completed Projects, Ongoing Projects and Future Projects, sold or leased by the Company. |
| SMS | Short Message Service |
| SPV | Special Purpose Vehicle |
| Sq. ft. | Square Feet |
| UA | Urban Agglomeration |

**DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013**

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided:

| Sr. No. | Disclosure Requirements | Relevant page of this Placement Document |
|---|---|---|
| **1.** | **GENERAL INFORMATION** | |
| a. | Name, address, website and other contact details of the Company indicating both Registered Office and corporate office. | 175 |
| b. | Date of incorporation of the Company. | Cover page |
| c. | Business carried on by the Company and its subsidiaries with the details of branches or units, if any. | 93 |
| d. | Brief particulars of the management of the Company. | 116 |
| e. | Names, addresses, DIN and occupations of the Directors. | 116 |
| f. | Management's perception of risk factors. | 38 |
| g. | Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of: | 163 |
| (i) | Statutory dues; | 163 |
| (ii) | Debentures and interest thereon; | 163 |
| (iii) | Deposits and interest thereon; and | 163 |
| (iv) | Loan from any bank or financial institution and interest thereon. | 163 |
| h. | Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Company, if any, for the private placement offer process. | 175 |
| **2.** | **PARTICULARS OF THE OFFER** | |
| a. | Date of passing of Board resolution. | 29 |
| b. | Date of passing of resolution in the general meeting, authorising the offer of securities. | 29 |
| c. | Kinds of securities offered (i.e. whether share or debenture) and class of security. | 29 |
| d. | Price at which the security is being offered including the premium, if any, along with justification of the price. | 29 |
| e. | Name and address of the valuer who performed valuation of the security offered. | Not Applicable |
| f. | Amount which the Company intends to raise by way of securities. | 29 |
| g. | Terms of raising of securities: | |
| (i) | Duration, if applicable; | Not Applicable |
| (ii) | Rate of dividend; | Not Applicable |
| (iii) | Rate of interest; | Not Applicable |
| (iv) | Mode of payment; and | Not Applicable |
| (v) | Repayment. | Not Applicable |
| h. | Proposed time schedule for which the offer letter is valid. | 15 |
| i. | Purposes and objects of the offer. | 59 |
| j. | Contribution being made by the promoters or Directors either as part of the offer or separately in furtherance of such objects. | 59 |
| k. | Principle terms of assets charged as security, if applicable. | Not Applicable |
| **3.** | **DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC** | |
| a. | Any financial or other material interest of the Directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons. | 119 and 122 |
| b. | Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed. | 164 |
| c. | Remuneration of Directors (during the current year and last three Financial Years). | 119-120 |

| Sr. No. | Disclosure Requirements | Relevant page of this Placement Document |
|---|---|---|
| d. | Related party transactions entered during the last three Financial Years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided. | 123 |
| e. | Summary of reservations or qualifications or adverse remarks of Auditors in the last five Financial Years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark. | Nil |
| f. | Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the Company and all of its subsidiaries. | 163 |
| g. | Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company. | 169 |
| **4.** | **FINANCIAL POSITION OF THE COMPANY** | |
| a. | The capital structure of the Company in the following manner in a tabular form: | |
| (i)(a) | The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value); | 61 |
| (b) | Size of the present offer; and | 61 |
| (c) | Paid up capital: | 61 |
| (A) | After the offer; and | 61 |
| (B) | After conversion of convertible instruments (if applicable); | Not applicable |
| (d) | Share premium account (before and after the offer). | 61 |
| (i) | The details of the existing share capital of the issuer Company in a tabular form, indicating therein with regard to each Allotment, the date of Allotment, the number of shares Allotted, the face value of the shares Allotted, the price and the form of consideration. | 61 |
| (ii) | Provided that the issuer Company shall also disclose the number and price at which each of the Allotments were made in the last one year preceding the date of the offer letter separately indicating the Allotments made for considerations other than cash and the details of the consideration in each case. | 62 |
| b. | Profits of the Company, before and after making provision for tax, for the three Financial Years immediately preceding the date of circulation of offer letter. | F-1 to F-64 |
| c. | Dividends declared by the Company in respect of the said three Financial Years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid). | 63 |
| d. | A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of circulation of offer letter. | 33 |
| e. | Audited Cash Flow Statement for the three Years immediately preceding the date of circulation of offer letter. | F-1 to F-64 |
| f. | Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company. | 72 |
| **5.** | **A DECLARATION BY THE DIRECTORS THAT** | |
| a. | The Company has complied with the provisions of the Act and the rules made thereunder. | 174 |
| b. | The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government. | 174 |
| c. | The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter. | 174 |

## SUMMARY OF BUSINESS

### Overview

We are primarily involved in middle to upper-middle income residential housing projects in satellite cities and towns in India, around industrial hubs, predominantly along the Delhi-Mumbai industrial corridor being promoted by the Government of India. Our residential real estate development projects range from apartments to group housing projects. In addition, as part of our commercial real estate development, we develop limited retail and commercial properties, including the construction of hotels.

We were incorporated on June 25, 1986 under the Companies Act, 1956, as Ashiana Housing & Finance (India) Limited. Subsequently, the name of the Company was changed to its present name in the year 2007.

We are an integrated real estate development company involved in all activities associated with real estate development, including, identification and acquisition of land, planning, designing, construction and marketing of our projects and providing facilities management services including services such as identification of third parties lessees/buyers for our existing customers. We undertake our projects through our in-house team of professionals and by engaging architects and consultants. While designing and developing a project, we rely on a research based approach for layout planning, utilisation of area earmarked for development as per our plans approvals, unit size, amenities, interiors and sales and marketing strategy. Depending upon the market scenario, regulatory practice and consumer preferences, we plan our development mix and product design. We also regularly interact with our customers to receive direct feedback on the quality of our projects.

We believe that we have established a strong brand image, have a successful track record of execution and a diversified portfolio of real estate projects. As of December 31, 2014, we have completed 24 residential developments and 6 commercial developments, aggregating to 10.74 million square feet of Saleable Area. As of December 31, 2014, we had:

- 13 Ongoing Projects comprising 11 residential developments and 2 commercial developments, aggregating approximately 6.38 million square feet of Saleable Area; and
- 15 Future Projects comprising 13 residential developments and 2 commercial developments, aggregating approximately 8.40 million square feet of Saleable Area.

As of December, 2014, we had Land available for Future Development aggregating to 4.85 million square feet of saleable area. Our Land available for Future Development comprises lands located at Kolkata, Milakhpur (Bhiwadi) and ICD (Bhiwadi) in which we have obtained any right or interest, or have entered into agreements to sell/memorandum of understanding with respect to such rights or interest, as the case may be. Such lands do not form part of our Completed, Ongoing and Future Projects.

Our residential real estate business can be categorised into the following main segments:

- ***Comfort Homes***

  The comfort homes are designed for middle to upper middle income customer segment. Our Comfort Homes are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and power back-up. As at December 31, 2014, we sold 10,165 units of Comfort Homes aggregating to 13.44 million square feet of Saleable Area.

- ***Senior Living***

  The homes are specially designed keeping in mind the needs of seniors citizens. These apartments come with features such as anti-skid tiles, grab rails, big-sized switches and wall mounted night lamps. Other features include an emergency response system, doctor-on-call services and a 24 hour ambulance service. We believe that our project Ashiana Utsav was one of India's first senior living resorts at Bhiwadi. We also have senior living projects in Jaipur and Lavasa. As at December 31, 2014, we sold 1,186 units of Senior Living houses aggregating to 1.48 million square feet of Saleable Area.

A brief description of our ongoing projects in the various segments where we operate is as below:

| Economic Interest (%) | Ongoing Projects, Location | Type |
|---|---|---|

| | | Comfort Homes (Total Saleable Area of the Project in sq. ft.) | Senior Living (Total Saleable Area of the Project in sq. ft.)) | Commercial (Total Saleable Area of the Project in sq. ft.)) |
|---|---|---|---|---|
| 100% | Ashiana Surbhi (Bhiwadi, Rajasthan) | 280,080 | - | - |
| | Ashiana Aangan Neemrana (Neemrana, Rajasthan) | 420,000 | - | - |
| | Ashiana Town Beta (Bhiwadi, Rajasthan) | 1,562,680 | - | - |
| | Ashiana Umang (Jaipur, Rajasthan) | 401,280 | - | - |
| | Ashiana Marine Plaza (Jamshedpur, Jharkhand) | - | - | 81,743 |
| | Ashiana Utsav Senior Living (Phase 2 & 3) (Lavasa, Maharashtra) | - | 382,164 | - |
| Developed under joint development agreement with land owner on revenue sharing basis in which our Company has economic interest of 81% of revenue sharing. | Ashiana Navrang (Halol, Gujarat) | 444,960 | - | - |
| Developed under joint development agreement with land owner on area sharing basis in which our Company has economic interest of 75% of area sharing. | Ashiana Dwarka (Jodhpur, Rajasthan) | 183,520 | - | - |
| Developed under joint development agreement with land owner on revenue sharing basis in which our Company has economic interest of 74.5% of revenue sharing. | Ashiana Anantara (Jamshedpur, Jharkhand) | 466,280 | - | - |
| Partnership with Megha Colonizers – Rangoli Division, economic interest of 50% of profit share in partnership | Rangoli Gardens (Jaipur, Rajasthan) | 895,180 | - | 70,420 |

| Economic Interest (%) | Ongoing Projects, Location | Type | | |
|---|---|---|---|---|
| | | Comfort Homes (Total Saleable Area of the Project in sq. ft.) | Senior Living (Total Saleable Area of the Project in sq. ft.)) | Commercial (Total Saleable Area of the Project in sq. ft.)) |
| Partnership with Ashiana Manglam Builders, economic interest of 50% of profit share in partnership | Gulmohar Gardens (Jaipur, Rajasthan) | 733,090 | - | - |
| Partnership with Vista Housing, economic interest of 50% of profit share in partnership | Vrinda Gardens (Jaipur, Rajasthan) | 457,200 | - | - |
| **Total** | | **5,844,270** | **382,164** | **152,163** |

We also develop certain of our projects through: (1) joint development agreements with land-owners, in terms of which we acquire the development rights to the underlying land; (2) joint ventures with third parties, with whom we establish SPVs for the purposes of developing projects through such joint venture SPVs (including partnerships); or (3) acquiring land ourselves and retaining the sole development rights in respect of any project. As of December 31, 2014, 1.09 million square feet of total Saleable Area of the Ongoing Projects, or 17.16%, of Ongoing Projects, are being developed through joint development agreements. See "*– Our Joint Development and Joint Venture Models*", below.

Our real estate projects have received recognition at a variety of real estate awards. Please see the table below for awards and recognitions granted to our Company:

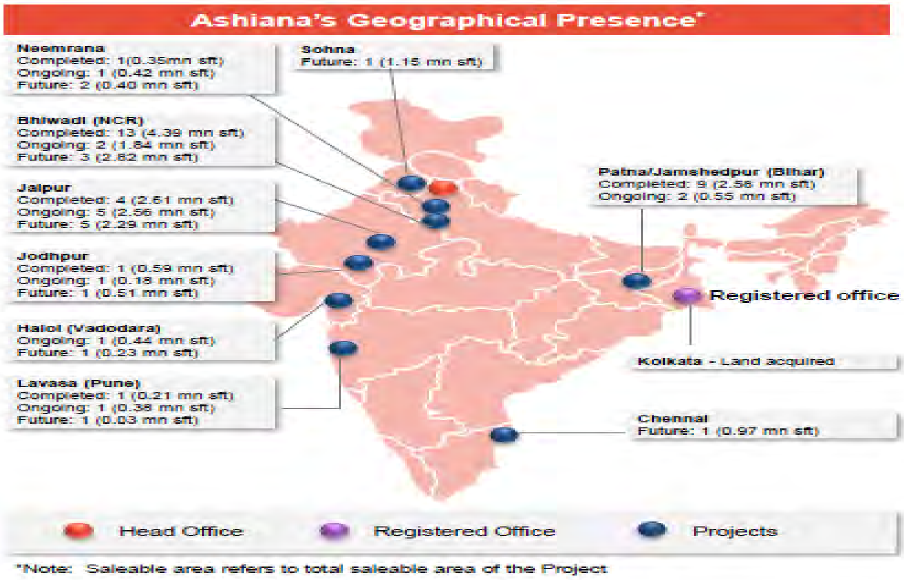
| Sr. No. | Particulars | Year |
|---|---|---|
| 1. | Our Company was felicitated as one of the most promising companies of the next decade by CNBC Awaaz | 2015 |
| 2. | Realty Excellence Award -2014 for contribution in field of management of senior living project | 2014 |
| 3. | Our Company's marketing head received award of most talented marketing professional (real estate) by Lokmat | 2014 |
| 4. | 'Best Investor Communication' practice in the Emerging Corporates category | 2014 |
| 5. | Realty Giant of North India award | 2014 |
| 6. | Received Bhamashah award for contribution made in the field of education by the Government of Rajasthan | 2014 and 2013 |
| 7. | Think Media Award for outstanding corporate social responsibility work in real estate sector | 2014 |
| 8. | "Best Theme Based Township Non-Metros" for Utsav Bhiwadi, from CREDAI Real Estate Awards | 2012 |
| 9. | Received BMA - Siegwerk award for corporate social responsibility | 2012 |
| 10. | Awarded as India's best residential project in north - Ashiana Aangan by Zee-Business RICS Awards | 2011 |
| 11. | Awarded as India's best residential project in east - Ashiana Woodlands by Zee-Business RICS Awards | 2011 |
| 12. | Forbes' rates Ashiana among Asia's 200 best under a billion dollar companies twice in a row | 2011 and 2010 |

Further we undertake certain activities in connection with our corporate social responsibilities such as adopting schools around our project sites to help improve the infrastructure of such schools, skill training, women empowerment, outside development, cleaning drives around our project sites and donating rickshaws to needy individuals. We have received honours from the Bharat Vikas Parishad, Rajasthan for activities in connection with our corporate social responsibility activities. Further, we have received the 'Bhamasha Award' for contribution made in the field of education by the Government of Rajasthan and the 'Think Media Award' for outstanding corporate social responsibility work in the real estate sector.

Our total consolidated revenue for the year ended March 31, 2014 and 2013 was ₹ 1,227.97 million and ₹ 1,614.90 million, respectively, and our consolidated total revenue for the six month period ended September 30, 2014 was ₹ 457.16 million.

For the periods ended March 31, 2012, 2013 and 2014 and for the nine month period ending December 31, 2014 we had sold an aggregate of 1,298, 1,346, 1,673 and 1,165 units, respectively within our residential projects aggregating to 1.78 million square feet, 1.87 million square feet, 2.21 million square feet and 1.46 million square feet, respectively, of Saleable Area.

The following map illustrates our geographic presence in cities across India:




The key milestones of our Company are set out below:

| Year | Milestone |
|---|---|
| 1986 | Incorporation of Ashiana Housing & Finance (India) Limited |
| 1992 | Shifted head office to Delhi. |
| 1993 | Listed on BSE |
| 1997 | Ashiana Maintenance Services Limited became subsidiary of our Company |
| 1998 | Started Neemrana operations |
| 2006 | Started Jaipur operations |
| 2007 | Started Jodhpur operations. Completed Senior Living homes in Utsav, Bhiwadi |
| 2008 | Started operations in Lavasa |
| 2011 | Listed on NSE |
| 2013 | Completed strategic branding exercise |
| 2014 | Acquired land in Sohna (Gurgaon) |
| | Started Halol operations |
| | Acquiring land in Chennai |

**Our Strengths**

In particular, we believe that our competitive strengths are as follows:

***Our Company and Promoters' track record and established brand name***

We believe that our strong brand, reputation and track record of developing projects which emphasise on strong project execution, quality construction and customer centricity. All of these have enabled us to win various real estate awards, differentiated our developments from our competitors, established customer confidence, and enabled us to achieve improved prices in the markets where we sell our projects. In addition, we believe our developments have also enhanced the locational value of the areas that our developments are located in. Our established brand allows us to cross sell to our existing customer base and also enables us to market our products to prospective customers by way of referrals from our existing customers.

As of December 31, 2014, we and our Subsidiaries, joint ventures and Partnership Firms have collectively completed 29 real estate projects in India, with approximately 10.74 million square feet of Saleable Area. These developments, over the last 28 years, include a variety of real estate developments including comfort homes, senior living and commercial projects.

Our real estate projects have received recognition at a variety of real estate awards. For details, see "– *Overview*", above.

***Ability to identify and acquire suitable land parcels for development***

We believe one of our key strengths is our ability to identify suitable tracts of land in strategic locations and high growth industrial hubs in India, in particular, where we expect long term appreciation in the value of our projects which are focussed on the middle income customer segment. Land identification at reasonable pricing and strategic locations is an important factor for the success of our business. We undertake research for our projects prior to making any decisions to acquire, develop or sell our properties. Our in-house market research, business development and execution process teams are involved in gathering relevant market data, assessing the potential of a location after evaluating various trends applicable local and other laws, which we believe enables us to design and develop projects which differentiates us from our competitors, allows us to anticipate market trends and create long-term value appreciation for our projects. Our extensive experience has also enabled us to acquire land or development rights through development agreements and joint ventures.

***Emphasis on high quality projects, project management and on-time delivery***

We believe that the quality of our construction differentiates us from other real estate developers. We use construction methodology that allow us to save cost, time and improves the quality of our construction. We place a special emphasis on ensuring that our quality standards are adhered to at every stage of a project and for every product provided to a customer. Our work force is trained to ensure our quality standards are met and we maintain internal quality standard checks. To achieve high quality construction, we endeavour to use high-quality materials and fittings in the construction and furnishing of our properties.

We also believe that generally we have been successful in completing construction of our projects in a timely and cost efficient manner without compromising on quality due to our project management and delivery model. The conceptualisation, design and project management aspects of our project are centralised with our planning and project management team. This centralised team acts like a control-cum-coordination cell for all projects under execution by us. On the other hand, the delivery of our project which includes execution, project level costing and ensuring adherence to the delivery schedule, is decentralised at the project-manager level located at the project sites. Such a project management and delivery model enables us to scale up our operations by optimal utilization of resources available with us.

***Integrated business model***

We have an integrated business model comprising in-house construction, facilities management and direct sales and marketing functions, amongst other things.

We offer facilities management service to some of our projects. Our property management services teams are responsible for the provision of maintenance and management services such as safety and security, cleaning, general maintenance, civil and electrical maintenance, landscaping and gardening, swimming pool and health club maintenance and general facilities management, which includes the operation and maintenance of facilities such as back-up power generation, water supply, drainage pumping, janitorial services, parking management, pest control, fire detection and solid waste disposal and management. The number of units under our maintenance as at March 31, 2014 and December 31, 2014 was 6,778 and 7,551, respectively. This indicates our long term commitment to our Completed Projects. This in-turn helps us gain inputs, which can be incorporated in our Future Projects to improve quality and delivery. The key focus of our facilities management services is to maintain the quality of our projects after their completion. As of December 31, 2014, our property management services had a workforce of approximately 177 full-time employees who are assigned to specific developments that we maintain. We believe that having a dedicated property management and services team on site for each of the projects we maintain allows us to deliver a higher standard of service to our customers.

As part of sales and marketing strategy, we sell directly to customers through an experienced team of 75 dedicated in-house sales professionals. We maintain a detailed database of our existing customers for purposes of marketing new projects to them. We also achieve sales through referrals from our existing customers. We undertake regular interaction with our customers in the form of regular events, games, festivals and other group activities.

***Robust pipeline of projects in growing industrial hubs***

We believe that project selection and positioning are crucial to our success. Our business model includes residential and commercial projects across north India primarily in the states of Rajasthan and Haryana, and in Lavasa, Halol and Jamshedpur. Currently, in terms of Saleable Area, out of our portfolio of Ongoing Projects and Future Projects, more than 80% are located in north India. Additionally, of the total Ongoing Projects and Future Projects we have in our portfolio, 18 projects have been launched where sales of units have commenced. The remaining projects are expected to be launched tentatively within the next 2 years. We believe that this mix of Ongoing Projects along with a pipeline of Future Projects that are expected to be launched in the near future will provide us with steady cash flows.

***Experienced and qualified management team with strong human resource practices***

The overall responsibility of the management of our Company is divided between our Promoters to ensure focus and smooth functioning of our Company. We have a highly qualified and experienced management team with extensive experience in the real estate sector. All major verticals such as finance, human resources, sales, legal, facility management have separate heads who are persons with significant experience. In addition, we have a management team that built the reputation and image of the "Ashiana" brand which, we believe, strongly positions us to manage our future growth while maintaining our standards of design and execution quality. We believe that one of our key strengths is our Company's organisational structure which promotes operational autonomy and efficiency across departments.

We place a strong emphasis on employee development and our key initiatives for the development of our employees include the following:

- Formulation and implementation of employee induction programmes;
- Exposure to various facets of our real estate business such as structural designing, finishing, estimation of project potential, billing and quality control;
- Organising technical programs and job related trainings;
- Building overall industry knowledge for our employees;
- Organising training related to personal grooming and behavioural ethics; and
- Programs aimed at grooming employees to take on further responsibilities.

We believe that our emphasis on employee development and our internal human resources initiatives for the development of our employees provides us with the skills to adapt to the future needs of our business.

***Financial strength***

We strive to maintain a conservative debt policy. As of September 30, 2014, we had a consolidated net debt of ₹ 426.48 million. By maintaining optimum land inventory, we have greater visibility of our cash flows and lesser capital is blocked which results in higher returns on net worth. As of September 30, 2014, our consolidated net worth was ₹ 2,941.86 million and we had cash or cash equivalents of ₹ 716.54 million. We would also look to reduce the operational cycle in order to churn capital faster, procure quicker returns and get better opportunities to venture into newer projects. Typically, we own land banks sufficient for the forthcoming period of five to seven years in order to reduce our operational cycles and maintain visibility on cash flows. We believe that we have the ability to leverage our balance sheet to take advantage of favourable business opportunities. We have also demonstrated a consistent track record of profitability. CARE vide letter dated January 2, 2015 revised the rating granted to the Company in connection with general creditworthiness of the Company from CARE BBB+ (Is) [Triple B Plus (Issuer Rating)] to CARE A- (Is) [A minus (Issuer Rating)]. The issuers with this rating are considered to offer adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk. Also, ICRA, in January, 2015, upgraded the long term rating to [ICRA]A- (pronounced as ICRA A minus) from [ICRA]BBB (pronounced as ICRA triple B) for ₹ 500 million term loan of the Company. The outlook on the long term rating is stable. We believe that our financial strength and strong project pipeline make us well positioned for changes in market conditions.

**Our Strategy**

The key elements of our business strategy are:

***Execution based model***

We intend to continue to follow our execution based model rather than the conventional accumulation of land bank model. Our land bank is typically sufficient only for projects to be launched over the next five to seven years. This allows for revenue visibility over the next few years, and also enables us to be relatively less leveraged and reduces the capital intensity of our business model. This ensures that we have negligible amount of debt financing and a leverage ratio that we believe is exceptionally low for our industry. We intend to focus on exploiting our current model to develop our Future Projects in order to improve the cash flows from our projects.

***Focus on acquiring land in growing industrial hubs and expand our geographical presence***

We intend to continue to focus on expanding our presence in growing industrial hubs with population in excess of one million, where the cost of acquiring land is comparatively cheaper. Our focus will continue to remain on identifying and acquiring high quality real estate assets in these locations in accordance with potential demand for residential real estate properties by consumers in such locations. This ensures that our land cost as a percentage of our total project cost is cheaper. Our aim is to keep our land cost low in terms of our overall project costs and maintain minimum benchmarks on gross profit margin and per square feet margins from a particular project. We would continue to seek to develop projects in upcoming locations where the cost of land is relatively lower than in already developed hubs.

Historically our real estate development activities have been focused in north and east India, where we believe we are one of the leading real estate developers in the segments where we market our projects, with established brand presence. Apart from Rajasthan, where approximately 78% of Saleable Area for our Ongoing Projects are located, we also have Ongoing Projects in Indian cities like Jamshedpur, Lavasa and Halol where we plan to increase our foothold in the coming years. We also propose to expand our presence in Sohna (Gurgaon), Chennai and Kolkata, where we expect growth in the near future.

***Continue to pursue our integration strategy***

We intend to integrate our business and operations by further developing our in-house construction management, direct sales and facility management services.

Ashiana Maintenance Services Limited, which houses our in-house facilities management division, was incorporated in 1996 and as of December 31, 2014 it had approximately 177 employees which deal with all aspects of facilities management for our projects, including safety and security, cleaning, maintenance, landscaping, renting, re-sales and general facilities management. The number of units under maintenance at the end of FY 2014 and as at December 31, 2014 was 6,778 and 7,551, respectively. We believe that having a dedicated in-house facilities management team differentiates us from our competitors, who traditionally outsource the facility management function or handover the constructed premises to resident associations for management, in that we are able to maintain stronger control over the quality and maintenance of our projects. We also obtain direct feedback from our customers that allow us to continuously understanding our customer's expectations and improving our products accordingly.

Through this integration, we hope to set more efficient budgets and better control the timing of completion and quality standards of our various projects, which we believe will help us to build and maintain relationships with our customers leading to a greater proportion of repeat business from such customers in the future. We also expect to achieve greater sales from referrals made by our existing customers by adopting this strategy.

***Maintain high standards of quality and focus on in-house construction***

We believe that we have developed, through our Promoters and Subsidiaries and Joint Ventures, a reputation for consistently developing projects known for quality and delivery in a timely manner. Further, we have developed end-to-end in-house construction capabilities, thereby circumventing the need for sub-contracting activities. We intend to continue to focus on quality project execution in order to maximise customer satisfaction. We also intend to continue to use technologically advanced tools and processes to ensure quality construction. We also intend to expand the scale of our operations while ensuring quality and efficiency in our operations. As part of our continuing strategy, we will continue to carry out our construction activities ourselves. This allows better cost / quality control and enhances our execution and flexibility in response to changing industry dynamics. It will, we believe, improve our execution timetable and will enable our management to focus on our core activity of real estate development. We also believe that this will improve the quality of construction in our developments and will allow us to embark on more complex and ambitious projects.

***Continued focus on senior living projects***

We are among the few developers who have entered into the 'senior living space' segment. We had entered into the specialized segment of senior living with Ashiana Utsav at Bhiwadi. Success of our theme-based residential projects like senior living housing for seniors at Jaipur and Lavasa has strengthened our belief that retirement communities are very much needed and desired by the people in the country. We believe that demand for senior living homes is strong due to a number of factors including the need for community living particularly in light of emergence of nuclear families and an increase in the proportion of senior citizens. We plan to continue focusing on senior living space in the long-term as we see this as a growth area in the real estate market with unmet demand. We believe that growing demand in this segment will mean that those developers that build a track record in this segment will benefit first from such demand and we plan to be amongst the leading real estate developers in this segment. We intend to foray further into this segment across other locations in India as the concept becomes increasingly popular.

***Focus on developing our brand***

We believe that a strong and recognizable brand is a key attribute in our industry and influences the decisions of our customers. Our brands constitute one of our most important assets. We aim to brand all our residential projects under the "Ashiana" brand. We believe that our project designs, construction standards, amenities and location will lead to greater brand recognition and awareness and customer trust and acceptance. We believe that our strategy to create a well-recognized brand would contribute to our sales and generate higher returns for our projects as compared against other less well-known developers. We intend to continue to take steps to further develop and enhance our brands through, among others, communication and promotional initiatives such as advertising, interaction with industry research organizations, participation in industry events and public relations through organizing of seminars. Such brand enhancing endeavours are primarily aimed at enhancing our brand presence in new geographies that we may venture into in the future.

## SUMMARY OF THE ISSUE

*The following is a general summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information appearing elsewhere in this Placement Document, including under the sections titled "Risk Factors", "Use of Proceeds", "Placement", "Issue Procedure" and "Description of the Equity Shares" on page 38, 59, 137, 127 and 148, respectively.*

| | |
|---|---|
| **Issuer** | Ashiana Housing Limited |
| **Issue Size** | 9,302,324 Equity Shares aggregating up to ₹ 2,000 million |
| **Issue Price** | ₹ 215 per Equity Share |
| **Face Value** | ₹ 2 per Equity Share |
| **Floor Price** | The floor price of ₹ 222.02 which has been calculated in accordance with Chapter VIII of the SEBI Regulations. Our Company has offered a discount of up to ₹ 7.02 to the Floor Price of ₹ 222.02 in accordance with the proviso to Regulation 85(1) of the SEBI Regulations. |
| **Minimum Offer Size** | The minimum value of offer or invitation to subscribe to each QIB is ₹ 20,000 of the face value of the Equity Shares or 10,000 Equity Shares. |
| **Eligible Investors** | QIBs as defined in regulation 2(1)(zd) of the SEBI Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations who are outside of the United States acquiring Equity Shares in an offshore transaction in reliance on Regulation S. See the section "Issue Procedure – Qualified Institutional Buyers" on page 130. |
| **Equity Shares issued and outstanding immediately prior to the Issue** | 93,049,775 Equity Shares. |
| **Equity Shares issued and outstanding immediately after the Issue** | 102,352,099 Equity Shares. |
| **Dividend** | See "Description of Equity Shares", "Dividend Policy" and "Statement of Tax Benefits" on page 148, 63 and 153. |
| **Indian Taxation** | See "Statement of Tax Benefits" on page 153. |
| **Issue Procedure** | The Issue is being made only to QIBs in reliance on Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations. See "Issue Procedure". |
| **Listing** | Our Company has obtained in-principle approvals from each of the Stock Exchanges for listing of the Equity Shares issued pursuant to the Issue under Clause 24(a) of the Listing Agreements on February 3, 2015. Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approval for the Equity Shares after the Allotment. |
| **Lock-up** | The Promoters and Promoter Group, jointly and severally, agrees that, without the prior written consent of the BRLM, he or it will not, and will not announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date hereof and ending 180 days after the date of Allotment of the Equity Shares pursuant to the QIP (the "**Lock-up Period**"), directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, lend or otherwise transfer or dispose of directly or indirectly, any Equity Shares, including but not limited to any options or warrants to purchase any Equity Shares, or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Equity Shares or enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or deposit any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase Equity Shares, in any depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar |

| | |
|---|---|
| | to that of a sale or deposit of Equity Shares in any depositary receipt facility. However, the foregoing restrictions shall not be applicable if any of the actions mentioned above are required to be undertaken pursuant to any employee stock option scheme or inter-se transfers between promoter group or any change in applicable law, or a direction of a court of law or the Reserve Bank of India post the date of execution of the Placement Agreement.<br><br>In addition, each the promoter and promoter group, jointly and severally, agrees that, without the prior written consent of the BRLM, he or it will not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration or sale or deposition of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired.<br><br>The Company has undertaken that it will not for a period commencing the date hereof and ending 180 days from the date of Allotment, without the prior written consent of the Book Running Lead Manager, directly or indirectly:<br><br>(a) offer, sell, issue, contract to issue, sell, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act , with respect to any of the foregoing, or<br><br>(b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or<br><br>(c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or<br><br>(d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. |
| **Transferability Restrictions** | The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. See the section "Transfer Restrictions" on page 144. |
| **Use of Proceeds** | The gross proceeds from the Issue will be approximately ₹ 2,000 million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 1,958.60 million.<br><br>See the section "Use of Proceeds" on page 59 for information regarding the use of net proceeds from the Issue. |
| **Risk Factors** | See the section "Risk Factors" on page 38 for a discussion of risks you should consider before investing in the Equity Shares. |
| **Pay-In Date** | Last date specified in the CAN sent to the QIBs for payment of application money. |
| **Closing** | The Allotment of the Equity Shares, expected to be made on or about February 9, 2015. |

| | | |
|---|---|---|
| **Ranking** | The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of the Company, including rights in respect of dividends.<br><br>The shareholders of the Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by the Company after the Closing Date, in compliance with the Companies Act, the Listing Agreement and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. See sections "Dividend Policy" and "Description of the Equity Shares" on page 63 and 148, respectively.<br><br>For Financial Year 2014, the Board has recommended a dividend of ₹ 0.50 per Equity Share which was approved by the shareholders of the Company in the AGM held on August 29, 2014. The dividend was paid to shareholders of the Company whose names stand recorded on the register of members after giving effect to all valid share transfers, if any, lodged with the Company / Registrar and Transfer Agent on or before August 29, 2014 and in respect of Equity Shares held in dematerialized form, the dividend was paid on the basis of beneficial ownership as on August 22, 2014. | |
| **Approvals** | The Issue has been approved by our Board on November 11, 2014.<br><br>The Issue has been approved by our shareholders by way of postal ballot on January 10, 2015. | |
| **Security Codes for the Equity Shares** | **ISIN** | INE365D01021 |
| | **NSE Code** | ASHIANA |
| | **BSE Code** | 523716 |

## RECENT DEVELOPMENTS

Please refer to the unaudited condensed consolidated interim financial statements as of and for the six month period ended September 30, 2014, of our Company in the section “Financial Statements” on page 172.

## SELECTED FINANCIAL INFORMATION

The following summary financial information and other data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 64 and our financial statements, including the notes thereto, and the reports thereon, which appear in the section "Financial Statements" on page 172. The summary financial information set forth below is derived from the audited consolidated financial statements as of and for the years ended March 31, 2012, 2013 and 2014, respectively, and the unaudited consolidated interim financial statements of our Company as of and for the six months ended September 30, 2014, prepared in accordance with Indian GAAP.

There have been no qualifications / adverse remarks made by our Auditors in the last five years.

### Consolidated Balance Sheet

**(₹ In million)**

| | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | |
| (1) SHAREHOLDERS' FUNDS | | | |
| (a) Share capital | 186.10 | 186.10 | 186.10 |
| (b) Reserves and surplus | 2,658.46 | 2,494.58 | 2211.77 |
| (2) MINORITY INTEREST | (30.97) | (13.75) | 0.54 |
| (3) NON-CURRENT LIABILITIES | | | |
| (a) Long-term borrowings | 91.29 | 110.50 | 105.52 |
| (b) Deferred Tax Liabilities (Net) | 34.42 | 36.67 | 31.11 |
| (c) Other Long Term Liabilities | 206.61 | 185.07 | 149.75 |
| (d) Long-term provisions | 25.67 | 17.81 | 12.70 |
| (4) CURRENT LIABILITIES | | | |
| (a) Short Term Borrowings | - | 0.22 | - |
| (b) Advance from Customers | 2,630.05 | 836.73 | 225.73 |
| (c) Trade payables | 115.81 | 84.11 | 74.10 |
| (d) Other current liabilities | 155.46 | 132.83 | 213.97 |
| (e) Short-term provisions | 54.43 | 48.67 | 83.28 |
| | **6,127.33** | **4,119.54** | **3294.57** |
| **II. ASSETS** | | | |
| **(1) NON-CURRENT ASSETS** | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 544.46 | 442.26 | 435.51 |
| (ii) Intangible assets | 12.98 | 15.10 | 4.42 |
| (iii) Capital work-in-progress | 12.82 | - | - |
| (iv) Intangible assets under development | - | 1.27 | - |
| (b) Non-current investments | (232.50) | 165.34 | 380.91 |

| | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 |
|---|---|---|---|
| (2) CURRENT ASSETS | | | |
| (a) Current investments | 565.69 | 382.99 | 532.20 |
| (b) Inventories | 3,779.94 | 1,992.30 | 1239.57 |
| (c) Trade receivables | 95.69 | 122.16 | 54.94 |
| (d) Cash and bank equivalents | 572.31 | 576.37 | 435.42 |
| (e) Short-term loans and advances | 775.93 | 421.72 | 211.56 |
| (f) Other current assets | 0.01 | 0.03 | 0.04 |
| | **6,127.33** | **4119.54** | **3294.57** |

## Statement of Consolidated Profit & Loss

**(₹ In million)**

| | **Year ended March 31, 2014** | **Year ended March 31, 2013** | **Year ended March 31, 2012** |
|---|---|---|---|
| I. Revenue from operations | 864.34 | 1344.01 | 2354.12 |
| II. Other income | 363.63 | 270.18 | 135.65 |
| III. Total revenue (I + II) | 1227.97 | 1614.19 | 2489.77 |
| IV. EXPENSES | | | |
| Direct Costs: | | | |
| Purchases | 716.31 | 617.87 | 547.81 |
| Project Expenses | 1,384.60 | 868.65 | 158.79 |
| Ongoing Project Expenses Adjusted | 1.77 | 26.47 | 931.14 |
| Changes in Inventories | (1,714.96) | (780.89) | (466.36) |
| Hotel and Club Expenses | 67.35 | 57.88 | 56.97 |
| Real Estate Support Operations Expenses | 79.82 | 61.81 | 46.62 |
| | **534.90** | **851.80** | **1274.97** |
| Employee benefits expense | 185.60 | 144.21 | 149.79 |
| Advertisement and business promotion | 46.60 | 38.80 | 69.17 |
| Finance costs | 18.33 | 30.30 | 28.62 |
| Other expenses | 142.02 | 102.69 | 99.10 |
| Depreciation and amortization expense | 30.46 | 26.00 | 23.98 |
| Total expenses | **957.91** | **1193.80** | **1645.63** |
| V. Profit before Extraordinary items and tax (III - IV) | 270.06 | 420.39 | 844.14 |
| VI. Extraordinary items | 10.92 | - | - |
| VII. Profit before tax (V - VI) | 259.14 | 420.39 | 844.14 |
| VIII. Tax expense | | | |
| (1) Current Tax | 42.75 | 83.36 | 149.92 |
| (2) Deferred Tax | (2.25) | 5.56 | (1.33) |
| IX. Profit for the year from continuing operations (VII-VIII) | 218.64 | 331.47 | 695.55 |
| X. Share in loss of Associate Companies | - | - | - |
| XI. Share of Minority Interest | 0.0058 | (0.0014) | (0.0017) |
| XII. Profit for the year | **218.63** | **331.47** | **695.55** |

## Consolidated Cash Flow Statements

(₹ In million)

| | Year ended March 31, 2014 | Year ended March 31, 2013 | Year ended March 31, 2012 |
|---|---|---|---|
| **Cash flow from operating activities:** | | | |
| Net Profit before exceptional item and tax | 270.06 | 420.39 | 844.14 |
| | | | |
| Adjustments for: | | | |
| Depreciation | 30.46 | 26.00 | 23.98 |
| Depreciation charged to Project Expenses | 0.21 | 0.58 | 0.67 |
| Interest Income (other than from customers) | (32.73) | (45.79) | (20.24) |
| Income from Investments | (208.30) | (126.96) | (43.13) |
| Provision for Diminution in value of Investments/ (written back) | 4.65 | (0.92) | 0.29 |
| Interest Paid | 18.33 | 30.30 | 28.62 |
| Preliminary Expenses written off | 0.01 | 0.01 | 0.01 |
| Investment written off | - | 0.03 | - |
| Minority Interest | (0.0058) | 0.0014 | 0.0018 |
| Provision for Employee Benefits | 7.86 | 5.12 | 2.63 |
| (Profit) / Loss on sale of Fixed Assets | 3.93 | 0.75 | 1.76 |
| **Operating profit before working capital changes** | **94.47** | **309.53** | **838.74** |
| Adjustments for changes in working capital : | | | |
| Trade and other receivables | (291.10) | (277.66) | (116.32) |
| Inventories | (1,787.63) | (752.74) | (488.73) |
| Trade Payables and advances from customers | 1,842.65 | 618.83 | 0.52 |
| **Cash generated from operating activities** | **(141.60)** | **(102.04)** | **234.21** |
| Direct Taxes paid / adjusted | (79.38) | (117.71) | (219.87) |
| - Extra Ordinary items | (10.91) | - | - |
| **Net cash from operating activities** | **(231.90)** | **(219.75)** | **14.35** |
| **Cash flow from Investing activities:** | | | |
| Purchase of Fixed Assets | (152.53) | (46.33) | (49.38) |
| Sale of Fixed Assets | 6.30 | 0.31 | 3.01 |
| Net change in Investments | 409.04 | 486.28 | (126.12) |
| Interest Income | 32.73 | 45.79 | 20.24 |
| Other Income from Investments | 9.75 | 6.35 | 5.50 |
| **Net cash used in investing activities** | **305.28** | **492.39** | **(146.74)** |

| | Year ended March 31, 2014 | Year ended March 31, 2013 | Year ended March 31, 2012 |
|---|---|---|---|
| Cash flow from financing activities: | | | |
| Proceeds from long term and other borrowings | 5.60 | (40.23) | 231.58 |
| Interest Paid | (18.33) | (30.30) | (28.62) |
| Dividend paid | (47.50) | (46.86) | (36.44) |
| Change in Minority Interest | (17.21) | (14.30) | 0.25 |
| **Net cash used in financing activities** | **(77.44)** | **(131.70)** | **166.78** |
| | | | |
| **Net Increase in cash & cash equivalents** | **(4.06)** | **140.95** | **34.38** |
| Opening balance of cash and cash equivalents (April 01,2013/April 01,2012/April 01, 2011) | 576.37 | 435.42 | 401.04 |
| **Closing balance of cash and cash equivalents** | **572.31** | **576.37** | **435.42** |
| | | | |
| Cash and cash equivalents comprise | | | |
| Cash in hand | 4.18 | 3.11 | 2.11 |
| Cheques in hand | 17.64 | 1.40 | 26.05 |
| Balance with scheduled banks | | | |
| -in current accounts | 212.67 | 147.40 | 124.45 |
| -in Fixed deposits accounts | 301.89 | 393.09 | 195.12 |
| -in Unclaimed Dividend Accounts | 10.07 | 8.58 | 6.78 |
| Fixed Deposit with Others | 25.86 | 22.79 | 80.91 |
| **Total cash and cash equivalents** | **572.31** | **576.37** | **435.42** |

## RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, results of operations, cash flows and financial condition. To obtain a complete understanding of our Company, you should read this section in conjunction with the sections titled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 93 and 64, respectively, as well as other information contained in this Placement Document. If any of the following risks or any of the other risks and uncertainties discussed in this Placement Document actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

*This Placement Document contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document*

### Risk Factors Relating to Our Business

***Our business is dependent on the performance of the real estate market in the regions in which we operate, and fluctuations in market conditions may adversely affect our ability to sell or lease our real estate developments at expected prices.***

Our business is dependent on the performance of the real estate market in the regions in which we operate, and could be adversely affected if market conditions deteriorate. Real estate projects take a substantial amount of time to develop, and we could incur losses if we purchase land at high prices and we have to sell or lease our developed projects during weaker economic periods. Further, the market for property can be relatively illiquid, and there may be high transaction costs as well as insufficient demand for property at the expected lease payment or sale price, as the case may be, which may limit our ability to respond promptly to market events. The demand for real estate is significantly affected by factors such as the existing supply of developed properties in the market as well as the absorption rate for lease assets, which factors are in turn influenced by changes in government policies, regulatory framework, environmental approvals, litigation, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. These factors can adversely affect the demand for and the valuation of our Completed Projects, Ongoing Projects and our Future Projects, the value of our Land available for Future Development, and, as a result, may materially and adversely affect our financial condition, results of operations, cash flows, our ability to service our debt and the trading price of our Equity Shares.

***Limited supply of land, increasing competition and applicable regulations are likely to result in land price escalation and a further shortage of developable land.***

We are in the business of real estate development. Due to increased demand for land for development of residential and commercial properties, we are experiencing increasing competition in acquiring land in various geographies where we operate or propose to operate. In addition, the unavailability or shortage of suitable parcels of land for development leads to an escalation in land prices. Any such escalation in the price of developable land could materially and adversely affect our business, prospects, financial condition and results of operations. Additionally, the availability of land, its use and development, is subject to regulations by various local authorities. For example, if a specific parcel of land has been delineated as agricultural land, no commercial or residential development is permitted without the prior approval of the local authorities.

***Our revenues would largely depend upon demand for residential properties along with the taste and preferences of the customers of the particular region in which the Company operates.***

Our inability to provide customers with certain amenities or our failure to continually anticipate and respond to customer needs will affect our business and prospects and could lead to some of our customers switching to competitors. The majority of our projects are in Bhiwadi, Jaipur and Jamshedpur. We depend on our ability to understand the preferences of our customers and to accordingly develop projects that suit their tastes and preferences thereby focusing on the development of quality residential accommodation with various amenities.

***We require certain regulatory approvals in the ordinary course of our business and the failure to obtain them in a timely manner or at all may adversely affect our operations.***

We require statutory and regulatory approvals and permits for us to execute our projects, and applications need to be made at appropriate stages for such approvals. Further in respect of the projects undertaken, we require to obtain sanction from local municipalities, local bodies, pollution control boards as well as clearance from airport authorities. We cannot assure you that the relevant authorities will issue any of such permits or approvals in the time frames anticipated by us or at all. Any delay or failure to obtain such permits or approvals in accordance with our plans may impede the execution of our business plans and projects and may hold up our investment in purchase of land or development of property which may ultimately affect our results of operations.

***Our business is subject to extensive government regulation, which may become more stringent in the future. We may not be able to comply with all government regulations, and may require more time or incur higher costs to comply with such regulations.***

The real estate industry in India is heavily regulated by the central, state and local governmental authorities. Real estate development companies in India must comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities and designed to implement such laws and regulations. For example, we are subject to various land ceiling statutes which regulate the amount of land that can be held under single ownership and where we are subject to such ownership limits, we generally enter into arrangements with land owners for construction on, and development of, land rather than the land itself. If structures through which this land is owned are said to violate such laws, our business could be materially and adversely affected. Real estate laws in India are complex and their interpretation or application by regulatory authorities may vary in different states. Although we believe that our projects are in material compliance with applicable laws and regulations, regulatory authorities in certain states may allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. The planning permission granted by local municipal authorities is usually subject to compliance with the terms and conditions of all licenses and permits granted in connection with the project. Any non-compliance could lead to a cancellation of planning permission granted, and consequentially a cancellation of such project. Further, we may have to devise new strategies or modify our business plans in order to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. We cannot assure you that we will be successful in implementing such strategies or be able to adapt ourselves to such new laws, regulations or policies. The amount and timing of future expenditure to comply with unanticipated regulatory requirements may vary substantially from those currently in effect. In the past, certain laws have been enacted in India with retrospective effect. We cannot assure you that all our past actions and business operations will be in compliance with such retrospective changes in law.

***Our contingent liabilities could adversely affect our financial condition and results of operations.***

As of September 30, 2014, the contingent liabilities as disclosed in our unaudited interim condensed consolidated financial statements consist of the following:

| Sr. No. | Particulars | Amount (in ₹ million) |
|---|---|---|
| 1. | Claims not acknowledged as debts: | |
| | - Cess Sonari land | 5.43 |
| | - Service Tax | 10.56 |
| | - Bank Guarantee | 134.40 |
| | - Income Tax | 5.16 |
| | - Entry Tax | 0.95 |
| 2. | Contested claim of the Government of Rajasthan for refund of state capital subsidy. | 5.58 |
| 3. | Contested claim of secretary, UIT, Bhiwadi for payment of completion certificate charges. | 1.25 |
| 4. | Contested claim of a customer pursuant to the order of the District Consumer Forum. | 1.00 |

If the aforementioned contingent liabilities materialise, our profitability and cash flows may be adversely affected. For further details, see the section “Financial Statements” on page 172**.**

***We are subject to restrictive covenants under our credit facilities from financial / lending institutions that could limit our flexibility in managing the business.***

Some debt agreements entered into by us contain restrictive covenants, which include, among other things, consent from the lenders prior to altering capital structure, amending constitutional documents, effecting any scheme of amalgamation or reconstitution, permitting any change in the ownership or control (whereby there will be a change in beneficial ownership), varying the shareholding of Promoters, declaring dividends, investing any funds by way of deposits or loans or in the share capital of any other concern, undertaking any new project or implementing any scheme of expansion/diversification, entering into borrowing arrangements with other banks or financial institutions, undertaking guarantee obligations, changing the accounting year and/or accounting methods, creating any charge or lien on the security, changing the composition of the board of directors. Any default of such restrictions will entitle the respective lenders to call a default against us, enforce remedies under the terms of the financing documents, that could include, among other things, acceleration of repayment of the amounts outstanding under the financing documents, enforcement of the security interest created under the financing documents, taking possession of the secured assets or, at their option, terminate the relevant loan agreements.

A default by us under the terms of any financing document may also trigger a cross-default under our other financing documents, or our other agreements or instruments containing cross-default provisions, which may individually or in the aggregate, have an adverse effect on our business, results of operations, financial condition and credit rating.

***Work stoppages and other labour problems including their timely availability at reasonable cost could adversely affect the progress of the projects.***

We operate in a labour-intensive industry and hires casual labour directly or indirectly in relation to specific projects. Any differences / disputes amongst labourers or in case if we are unable to procure required casual labour for our existing or future projects, it could adversely affect our business, financial position, results of operations and cash flows. We however enjoy cordial relationship with the labourers / labour contractors and get labourers as and when required at site. We also keep minimum level of own labourers at sites for contingency.

***Failure to procure contiguous parcels of land may adversely affect our business, results of operations, financial condition and prospects.***

In the ordinary course of our business, we seek to enter into arrangements with land owners to procure land parcels to form a contiguous land mass, upon which we undertake construction and development of properties. Our ability to acquire suitable sites is dependent on a number of factors that may be beyond our control, including the availability of suitable land, the willingness of landowners to sell land to us on commercially acceptable terms, the ability to obtain an agreement to purchase from all the owners where land has multiple owners, the availability and cost of financing, encumbrances on targeted land, government directives on land use, changes in government policies and the receipt of permits and approvals for land acquisition and development. We cannot assure you that we will be able to procure such parcels of land or enter into suitable arrangements to form a contiguous mass on terms that are acceptable to us, or at all. This may cause us to modify, delay or abandon future development projects resulting in our failure to realize our investments, which in turn could materially and adversely affect our business, results of operations, financial condition and prospects.

***We face intense competition in our business and may not be able to compete effectively, particularly in regional markets where we may not have significant experience.***

We operate in highly competitive markets. Competition in these markets is based primarily on the availability and the cost of land as well as the ability to execute projects within the required time. We face competition from real estate companies in India bidding for new and similar property development projects, from corporations with large land reserves, as well as government bodies such as urban development authorities that are in the business of real estate development. Given the fragmented nature of the real estate development industry, we often do not have adequate information about the projects our competitors are developing and accordingly, we run the risk of incorrectly estimating demand, supply and pricing in the market.

Certain of our competitors may be better known in certain regional markets, have more experience in undertaking real estate development in these markets and be better placed to acquire land for new property development projects in these markets. We may not possess the same level of knowledge and understanding in the development, ownership and management of properties in these markets as we do in our core markets. We may need to take certain steps to address these risks, including adjusting our designs and development methods, establishing business relations with local land owners and joint venture partners, obtaining raw materials and labour on acceptable terms, understanding the requirements of the local laws and understanding market practice and requirements of potential customers. We cannot assure you that we will be able to successfully implement all the steps required to address these risks, which could adversely affect our results of operations and financial condition.

In addition, certain of our competitors may have greater land reserves in select geographies or financial resources than we do. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more attractive or lower cost solutions than we do, causing us to lose market share.  We cannot assure you that we will be able to compete effectively with our competitors in the future, and our failure to compete effectively may materially and adversely affect our business, financial condition and results of operations.

***We may face stiff competition for procuring raw materials. Fluctuations and volatility in the prices of key raw materials may adversely affect the performance of the Company.***

Some of the key raw materials for real estate development industry are cement, steel, bricks, sand, wood, alumunium doors and windows, sanitary wares, etc. and are subject to volatility of price on account of various economic factors which are beyond our control. If, for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such materials to us in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted, and we may not be able to complete our projects as per schedule.

We have been in the real estate housing space for approximately three decades and have established relationship with the suppliers of various raw materials. The purchase department of our Company on a day-to-day basis monitors and ensures timely supply of materials in desired quantity, proper usage of the materials and progress of the work as per the project schedule and accordingly procure various raw materials. However, increase in raw material prices and short supplies of raw materials on account of various factors in the economy are beyond the control of our purchase department and management which may lead to either increase in the cost of raw materials or delay in the project schedule.

***Any downgrading in the credit rating of our borrowings may affect to raise further debt.***

CARE vide letter dated January 2, 2015 revised the rating granted to the Company in connection with general creditworthiness of the Company from CARE BBB+ (Is) [Triple B Plus (Issuer Rating)] to CARE A- (Is) [A minus (Issuer Rating)]. The issuers with this rating are considered to offer adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk. Also, ICRA, in January, 2015, upgraded the long term rating to [ICRA]A- (pronounced as ICRA A minus) from [ICRA]BBB (pronounced as ICRA triple B) for ₹ 500 million term loan of the Company. The outlook on the long term rating is stable. We cannot guarantee that these ratings will not be downgraded. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may affect our ability to raise any further debt.

***There are outstanding litigation proceedings against the Company, Subsidiaries, Promoter and Directors, an adverse outcome in which could have a material adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

The Company, Subsidiaries, Promoter and Directors are involved in certain legal proceedings. A summary of all litigations and disputes against the Company, Subsidiaries, Promoter and Directors involving potential financial implication on the net worth of the Company, is in the following tables:

Litigation against the Company:

(in ₹ million)

| Nature of Litigation | Number of Outstanding | Amount Involved |
|---|---|---|
| Civil Proceedings | 28 | 192.41 |
| Criminal Proceedings | Nil | Nil |
| Arbitration Proceedings | Nil | Nil |
| Tax Proceedings | Nil | Nil |
| Notices | Nil | Nil |
| **Total** | **28** | **192.41** |

Litigation by the Company:

(in ₹ million)

| Nature of Litigation | Number of Outstanding | Amount Involved |
|---|---|---|
| Civil Proceedings | 14 | 40.83 |
| Criminal Proceedings | Nil | Nil |
| Arbitration Proceedings | Nil | Nil |
| Tax Proceedings (Service Tax) | 1 | 7.86 |
| Tax Proceedings (Entry Tax) | 1 | 0.20 |
| Notices | Nil | Nil |
| **Total** | **16** | **48.89** |

Litigation against our subsidiaries:

(in ₹ million)

| Nature of Litigation | Number of Outstanding Litigation | Amount Involved |
|---|---|---|
| Civil Proceedings | 20 | 70.25 |
| Criminal Proceedings | Nil | Nil |
| Arbitration Proceedings | 1 | 0.06 |
| Tax Proceedings | Nil | Nil |
| Notices | Nil | Nil |
| **Total** | **21** | **70.31** |

Litigation by our subsidiaries:

(in ₹ million)

| Nature of Litigation | Number of Outstanding Litigation | Amount Involved |
|---|---|---|
| Civil Proceedings | 6 | 23.79 |
| Criminal Proceedings | Nil | Nil |
| Arbitration Proceedings | Nil | Nil |
| Tax Proceedings (Income Tax) | 2 | 10.74 |
| Tax Proceedings (Entry Tax) | 1 | 0.74 |
| Tax Proceedings (Service Tax) | 3 | 1.39 |
| Notices | Nil | Nil |
| **Total** | **12** | **36.66** |

Litigation against our Director:

(in ₹ million)

| Nature of Litigation | Number of Outstanding Litigation | Amount Involved |
|---|---|---|
| Civil Proceedings | Nil | Nil |
| Criminal Proceedings | 1 | - |
| Arbitration Proceedings | Nil | Nil |
| Tax Proceedings | Nil | Nil |
| Notices | Nil | Nil |
| **Total** | **1** | **-** |

Litigation against our Promoter:

(in ₹ million)

| Nature of Litigation | Number of Outstanding Litigation | Amount Involved |
|---|---|---|
| Civil Proceedings | Nil | Nil |
| Criminal Proceedings | 2 | - |
| Arbitration Proceedings | Nil | Nil |
| Tax Proceedings | Nil | Nil |
| Notices | Nil | Nil |
| **Total** | **2** | **-** |

Please see the section "Legal Proceedings" on page 163 for further details of the aforementioned legal proceedings.

These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. An adverse outcome in any such proceedings may affect our business, results of operations and financial condition.

***There have been time and cost overruns in the past in relation to some of our projects, and there could be further time and cost overruns in the future.***

Property developments typically require substantial capital outlay during the construction phase which may take an extended period of time to complete, and before a potential return can be generated. The time and costs required to complete a property development may be subject to substantial increases due to many factors, including shortages of, or price increases with respect to, construction materials or equipment, technical skills and labour, acquisition of land, construction delays, unanticipated cost increases, changes in the regulatory environment, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, delays in obtaining the approvals and permits from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of a project and result in costs substantially exceeding those originally budgeted for. The cost overruns may not be adequately compensated by contractual indemnities, which may affect our financial condition and results of operations. We are not insured against cost overrun risks. In addition, any delays in completing our projects as scheduled could result in dissatisfaction among our customers, resulting in negative publicity and lack of confidence among future buyers for our projects. Additionally, we may not achieve the economic benefits expected of such projects. In the event there are any delays in the completion of such projects, our relevant approvals and leases may be terminated. We have in the past experienced time and cost overruns in relation to certain of our projects.

We cannot assure you that we will be able to complete all our Ongoing Projects or Future Projects within the stipulated budget and time schedule. Further, there may be a lag between the time we acquire land and the time we construct and develop a project and sell or lease our inventories. The actual timing of the completion of a project may be different from its forecasted schedule. Given that the market for properties is relatively illiquid, there may be high transaction costs as well as little or insufficient demand for properties at the expected lease income or sale price, which may limit our ability to respond promptly to market events, such as changes in the prices of the raw materials we utilize in our projects. The risk of owning undeveloped land and unsold inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions.

***We are subject to a penalty clause under our sale agreements entered into with our customers for any delay in the completion and handover of the project.***

The sale agreements into which we enter with our customers contain a penalty clause pursuant to which we are liable to pay a penalty for any delay in the completion and handover of the project to the customers. In terms of the sale agreement, any delay or default in handing over possession of the unit of land to the buyer of such land, will require the Company to repay the entire consideration received by the Company for development of such land to the buyer along with interest calculated at 8% per annum from the date on which such consideration was paid to the Company until date of repayment. Accordingly, in large residential projects, the aggregate of all penalties in the event of delays may adversely impact the overall profitability of the project and, therefore, adversely affect our results of operations.

***We do not own our Registered Office and the sale agreement entered in connection with our corporate office is not registered.***

At present we do not own the premises that we use as our Registered Office which has been leased to us by P.C. Enterprises Private Limited since January 1, 1993.We have entered into a sale agreement dated February 11, 2005 with M/s. Ridgeview Construction Private Limited for transfer of unit no. 4 & 5 on the 3rd floor at District Centre, Saket, New Delhi. However, the sale agreement in respect of our corporate office has not been registered with the Land Registry. The uncertainty of title to our corporate office may impede the transfer of title, expose us to legal disputes and adversely affect our operations. Also, if the terms of the lease are violated by any of the parties or thereto or if we are unable to renew the lease prior to the expiry of the term thereof, our operations may be adversely affected.

***We may not be able to acquire or register all or any of the lands for which we have entered into agreements to sell or MOUs.***

We enter into agreements to sell or MoUs prior to acquiring any property. We intend to use a portion of the Net Proceeds to acquire lands and land development rights. We cannot assure you that such lands will be conveyed to us, that we will be successful in acquiring them or that we will be successful in registering them in our name or the name of one of our subsidiaries or partnership firms. Additionally, we cannot assure you that we will be able to utilise the Net Proceeds for the purchase of such lands/ land development rights.

***We may incur losses on account of non-performance by external agencies.***

Our projects require the services of contractors, sub-contractors and various other parties including architects, engineers, and suppliers of labour and materials for our projects. External agencies as per the terms of their contract are required to complete the entrusted work within the given timeframe at agreed cost maintaining the quality of the work. However, at times due to certain unavoidable circumstances beyond the control of these external agencies, the work is not completed on time, which may lead to us incurring losses for a particular contract and may lead to overall reduction in the profitability of a particular project. We carry out all major activities on our own and issue certain work orders for petty activities only which do not have a major effect on the completion of our projects.

***We may experience difficulties in expanding our business into additional geographic markets within India.***

We have limited experience in conducting business outside Jaipur, Jamshedpur and Bhiwadi and may not be able to leverage our experience in these regions to expand into other cities. Factors such as brand recognition, competition, culture, regulatory regimes, business practices and customs, customer tastes, behaviour and preferences in other cities where we plan to expand our operations may differ from those in these regions, and our experience may not be applicable to other cities. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national developers, but also local developers who have an established local presence, are more familiar with local regulations, business practices and customs, have stronger relationships with local contractors, suppliers, relevant government authorities, and who have access to existing land reserves or are in a stronger financial position than us, all of which may give them a competitive advantage over us. We may not be able to assemble and manage resources in case we take up new projects, at such locations and also in case if we need to accelerate construction at any of the existing project sites. In expanding our geographic footprint, our business will be exposed to various additional challenges, including adjusting our construction methods to different terrains; obtaining necessary governmental approvals and building permits under unfamiliar regulatory regimes; identifying and collaborating with local business partners, construction contractors and suppliers with whom we may have no previous working relationship; successfully gauging market conditions in local real estate markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographic areas of India; and adapting our marketing strategy and operations to different regions of India in which other languages are spoken.

We can provide no assurance that we will be successful in expanding our business to include other geographic markets in India. Any failure by us to successfully carry out our plan to geographically diversify our business could have a material adverse effect on our revenues, earnings and financial condition.

***We face significant risks with respect to the length of time needed to complete each project.***

It may take several years following the acquisition of land before income or positive cash flows can be generated through the sale of a completed real estate development project. Generally, the time required to complete a real estate construction and development project is significant. Changes to the business environment during such time may affect the costs and revenues associated with the project and can ultimately affect the profitability of the project. For example, during this time there can be changes to the national, state and local business climate and regulatory environment, local real estate market conditions, perceptions of prospective customers with respect to the convenience and attractiveness of the project, and changes with respect to competition from other property developments. If such changes occur during the time it takes to complete a certain project, our returns on such project may be lower than expected and our financial performance may be adversely affected.

***We will continue to be controlled by our Promoters and potential conflicts of interest may exist or arise as a result.***

After the completion of this Issue, our Promoters will continue to control, directly or indirectly, over 51% of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant influence over all matters requiring shareholder approval. We have entered into, and may continue to enter into, certain transactions with our Promoters or entities controlled by our Promoters, which may create potential conflicts of interest. We cannot assure you that our Promoters, as majority shareholders, will act to resolve any potential conflicts of interest with our minority shareholders.

***We have entered into, and may in the future enter into, certain related party transactions; we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties or that we will be able to recover the amounts due from related parties.***

We have entered into transactions with related parties, including our Promoters and Directors. Certain transactions we typically enter into with related parties include lease arrangements with group entities, remuneration, commission and sitting fees payable to Directors, staff welfare expenses payable to relatives of Directors, salaries and allowances, advances from customers and loans and advances received from key managerial personnel of the Company. For more information regarding our related party transactions, see the disclosure on related party transactions contained in the Audited Consolidated Financial Statements included in "Financial Statements" on page 172. The Audit Committee of our Board of Directors reviews our decisions relating to significant related party transactions. However, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we may in the future enter into certain transactions with such related parties. The transactions we have entered into have involved, and any future transactions with our related parties could potentially involve, conflicts of interest.

***Certain information contained herein, including the measurements with respect to the total Saleable Area of our projects, is based on management estimates which may change for various reasons and have not been independently appraised.***

Some of the information contained in this Placement Document with respect to our projects such as the amount of land or land development rights owned by us, the location and type of development of such land and the amount of total saleable area used for development is based on management estimates and has not been independently appraised. The total area of property that is ultimately developed may differ from the descriptions of the property presented herein depending on various factors such as market conditions, title defects, modification of architect estimates, and any inability to obtain necessary regulatory approvals. Therefore, management's estimates with respect to our Ongoing and Future Projects are subject to uncertainty. Further, in respect of the lands for which we have obtained title opinions from local counsel, we may not be able to assess or identify all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, amongst others.

***We are dependent upon the experience and skills of our senior management team and skilled employees.***

We believe that our senior management team has contributed significantly to the development of our business. However, we cannot assure you that we will be able to retain any or all of the key members of our management team. If one or more of our senior executives or other personnel are unable or unwilling to continue in their present positions, we may be unable to replace them, our business may be disrupted, and our financial condition and results of operations may be materially and adversely affected. The loss of such key personnel, or our failure to attract additional skilled management personnel, may adversely affect our business and results of operations. We also believe that the success of our real estate development activities is dependent on our ability to attract, train, motivate, and retain highly skilled professional employees in a competitive market. Our professional staff includes engineers, design consultants, marketing specialists, treasury experts, costing consultants, procurement officers, human resource managers and accountants. In the event we are unable to maintain or recruit a sufficient number of skilled employees, our business and results of operations may be adversely affected.

***Our operations and our work force are exposed to various hazards and we are exposed to risks arising from construction related activities that could result in material liabilities, increased expenses and diminished revenues.***

There are certain unanticipated or unforeseen risks that may arise in the course of real estate development due to adverse weather and geological conditions such as storm, hurricane, lightning, flood, landslide and earthquake. Additionally, our operations are subject to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Any such risk could result in exposing us to material liabilities, increase our expenses, adversely affect our reputation and may result in a decline in our revenues. We cannot assure that we may be able to prevent any such incidents in the future.

***We are exposed to risks related to stringent labour legislation relating to engagement of contract labour and dispute resolution.***

India has stringent labour laws and regulations governing our relationship with our employees and other contractors, including in relation to hiring and termination of employees, work permits, minimum wages, and for the regulation of contract labour.

We use a substantial amount of contracted and sub-contracted labour for our on-site operations. We do not directly control such labour. Failure by us or our sub-contractors to comply with the relevant laws and requirements for labour related matters could adversely affect our business and operations. Although we do not engage such contract labour directly, we may be held responsible under applicable Indian laws for wage payments to such labour in the event of default by our contractors. Further, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to retain such contract labour as our employees. Recently there have been amendments to the labour laws governing Industrial Disputes Act, 1947 and Factories Act, 1948 in the State of Rajasthan. For details see section "Key Industry Regulations and Policies in India" on page 111.

Additionally, certain other Indian labour laws also set forth detailed procedures for the establishment of unions, dispute resolution and certain other laws that impose certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected. We operate in a labour-intensive industry and our contractors typically hire casual labour in relation to specific projects. A large number of labour we employ come from different parts of India as well, who may return to their home states after a short period of time. If we are unable to negotiate with the workmen or the contractors, or retain or substitute our inter-state labour, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, we may not be able to procure required casual labour for our existing or future projects, which could adversely affect our business, reputation, financial condition, results of operations and cash flows.

***Fluctuations in market conditions may affect our ability to sell our projects at the prices we anticipated, which could adversely affect our revenues and earnings.***

We are subject to potentially significant fluctuations in the market value of our land and constructed inventories. The risk of owning undeveloped land, developed land and constructed inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions. There is often a significant lag between the time we acquire land or development rights and the time that we can construct and develop such project and sell our inventories. Further, the actual timing of the completion of a project may be different from its forecasted schedule for a number of reasons, including the need to obtain governmental approvals and building permits. In addition, real estate investments, both in land and constructed inventories, are relatively illiquid, which may limit our ability to vary our exposure in the real estate business promptly in response to changes in economic or other conditions. We could be adversely affected if market conditions deteriorate or if we purchase land or construct inventories at higher prices during stronger economic periods and the value of the land or the constructed inventories subsequently declines during weaker economic periods.

***We conduct due diligence and assessment exercises prior to acquisition of land for undertaking development, but we may not be able to assess or identify certain risks and liabilities.***

We constantly acquire lands for our various development activities and these may be acquired either directly or through subsidiaries or entities identified by us for this purpose. We have an internal assessment process on land selection and acquisition which includes a due diligence exercise to assess the title of the land and preparation of feasibility reports to assess its development and marketability.
Our internal assessment process is based on information that is available or accessible by us. There can be no assurance that such information is accurate, complete or current. Any decision based on inaccurate, incomplete or dated information may result in risks and liabilities associated with acquiring and owning such parcels of land, being passed onto us. This may adversely affect our business, financial condition and results of operations.

***Some of our agreements may be inadequately stamped and some of our immovable properties may have certain irregularities in title, as a result of which our operations may be impaired.***

Some of our agreements may not be adequately stamped and some of our immoveable properties for our projects or offices, which are either owned by us or taken on lease or have development rights on, may have one or more irregularities of title such as non-execution of conveyance deeds for transfer of property, inadequate stamping and/or non-registration of deeds and agreements, non-execution of lease deeds and non-renewal of lease agreements, and may be subject to encumbrances that we are not aware of. If we do not have, or are unable to obtain clear title to these lands and are unable to develop such lands for this reason, our financial position and results of operations may be adversely affected.

***Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on the earnings, financial condition and capital requirements of our Company and that of our Subsidiaries, partnership firms and other consolidated entities and the dividends they distribute to us. Our business is capital intensive and we may make additional capital expenditure to complete various real estate projects. Further, we may not be able to distribute dividends in certain cirumstances such as default in payment of interest and/or principal, amongst others, based on certain of our financing arrangements. We may be unable to pay dividends in the near or medium-term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition and results of operations.

***Statistical and financial data in this Placement Document may be incomplete or unreliable.***

We have not independently verified data obtained from industry publications and other sources referred to in this Placement Document and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the sectors in which we currently operate in this Placement Document are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such facts or statistics. In addition, internal company reports may be based on a number of variables and have not been verified by independent sources and may be incomplete or unreliable. Also see "Industry" on page 86.

***Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage may adversely affect our business, results of operations and financial condition.***

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there may be types of risks and losses for which we do not maintain insurance, because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

***Our brand 'Ashiana' is well established in the regions and in the markets where we currently operate, and relatively lesser known in newer geographies that we may venture into in the future.***

Our Company's projects are primarily situated in certain regions such as Bhiwadi, Jaipur and Jamshedpur, where the 'Ashiana' brand is well established. Our marketing strategy largely revolves around our brand presence in the geographies where we operate and cross selling to and referrals from our existing customers. Further, the framework of local land laws in such geographies are also known to our in-house teams. For more details please see "Business – Strategy – Focus on acquiring land in growing industrial hubs and expand our geographical presence" and "Business – Strategy – Focus on developing our brand" on page 99 and 100. If we are unable to establish our brand in the newer geographies where we expect to operate in the future and establish a client base in such geographies, our business, prospects, financial condition and results of operations may be adversely affected. For details, in relation to legal proceedings involving intellectual property infringements, please see section "Legal Proceedings" on page 163.

***We may not be successful in expanding our real estate business into new geographical areas and markets in which we do not have significant experience.***

We have expanded our business, outside of our traditional geographic focus, to new areas such as Sohna (Gurgaon), Halol (Gujarat) and Chennai (Tamilnadu). We face risks with projects in geographic areas in which we do not possess the same level of familiarity with the development, ownership and management of properties, including adjusting our construction methods to different geographies; establishing good relations with the local landowners and joint venture partners; obtaining the necessary construction and raw materials and labor in sufficient amounts and on acceptable terms; obtaining necessary governmental approvals and the building permits under unfamiliar regulatory regimes; understanding the requirements of the local laws and market practice; attracting potential customers in a market in which we do not have significant experience; hiring new employees and acquiring infrastructure at reasonable cost; and competing with established local players familiar with these geographies. In particular areas, demand for property may reduce which may impact our strategy and ability to execute projects in such areas. We may not be able to successfully manage the risks of such an expansion, which could have a material adverse effect on our revenues, earnings and financial condition.

***We may not be successful in identifying suitable land parcels for development, or develop saleable or leasable properties, or anticipate and respond to customer demand in a timely manner.***

Our ability to identify suitable parcels of land for our development activities is fundamental to our business and involves certain risks, including those related to identifying appropriate land and formulating development plans that appeal to the tastes of our customers. Our decision to acquire land and undertake a project involves an assessment of the size and location of the land, the preferences of potential customers, the economic potential of the region, the proximity of the land to civic amenities and supporting infrastructure, the willingness of landowners to sell the land to us on terms which are commercially acceptable to us, the ability to enter into an agreement to buy land from multiple owners, the availability and cost of financing such acquisitions, the availability and competence of third parties such as architects, surveyors, engineers and contractors, the existence of encumbrances, government directives on land use, and the ability to obtain permits and approvals for land acquisition and development.

While we have in the past successfully identified suitable projects that meet market demand, we may not be as successful in the future. The failure to identify suitable projects, build or develop saleable or leasable properties or meet customer demand in a timely manner may cause us to change, delay or abandon entire projects, which in turn could materially and adversely affect our competitive position, business, financial condition, results of operations and prospects.

***We have entered into joint development and revenue sharing agreements in relation to the development of certain projects, which entail certain risks, including loss of the payments made by us and payment of penalties.***

We have entered into joint development agreements with third party land owners in relation to the development of certain of our projects. Under these agreements, we are typically required to provide the owners of the land with a deposit, which is refundable upon the completion of the project and the joint development partners being given possession of their respective share of the units in the project pursuant to the agreement. We may also be required to provide a non-refundable deposit in certain cases. Further, under these joint development agreements, in the event of any delay in the completion of the project within the time-frame specified, we are required to indemnify such parties with whom we have entered into joint development agreements and pay certain penalties as specified in these agreements.

In the past, we have experienced delays in the completion and handover of projects. Continued delays in the completion of the construction of our projects will adversely affect our reputation. Such penalties payable by us will also adversely affect our financial condition and results of operations. Further, if we are required to pay penalties pursuant to such agreements and we decline to do so, we may not be able to recover the deposits made by us to the land owners, which could adversely affect our business, financial condition and results of operations. Certain of our joint development agreements do not contain an exception for delay caused due to factors beyond our control in relation to the imposition of penalties and only contain limited force majeure clauses.

Consequently, we could be forced to pay penalty for certain events beyond our control, including for delays on account of non-receipt of government approvals or other permissions. Further, under the terms of the joint development agreements, the underlying interest in land is not transferred to us until the completion of the project. In the event of a joint development project not being completed, any investment made by us in relation to the project could be lost. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Certain third parties with whom we have entered into arrangements for development of certain land parcels may be involved in certain legal proceedings related to their title or other rights to such land. Any adverse outcome of such legal proceedings may adversely affect our rights under our agreements with these third parties, which could adversely affect our business, results of operations and prospects.

Further, we have executed certain joint development agreements only with the leaseholders of the underlying land and not with the owners. In the event that the leaseholders commit a default under the lease agreement, or if the leasehold right of the leaseholder is terminated for any other reason, we will be unable to acquire an interest in or derive benefits from the project.

***We on an ongoing basis explore new construction techniques aimed at reducing costs, and/or improving margins and/or quality/timelines of construction that are untested.***

We on an ongoing basis explore new construction techniques that are aimed at lowering our costs, and/or improving our margins and/or quality/timelines of construction. A failure to implement such new construction techniques in time or at all may result in a material adverse effect of our business, financial condition and results of operations.

***Our title and development rights or other interests over land may be subject to legal uncertainties and defects which may have an adverse impact on our ability to develop and market projects developed on such lands. Further, inadequate or doubtful title may expose us to the risks of litigation.***

There may be various legal defects and irregularities to the title to the lands that we own or on which we have development rights or other interests in, directly or indirectly, and which we may not be able to fully identify, resolve or assess. Prior to any agreement for purchase and/or development of land with respect to any land or any right therein, we verify the history and title of the land based on available documents and information by undertaking a due diligence process and obtain title opinion from experts. However, there can be no assurance that such documents and information is accurate, authentic or complete. Our rights in respect of these lands may be compromised by improper execution or non-registration of relevant property documents, encumbrances created in favor of third parties that is not registered (due to which such encumbrances would not appear in the records maintained in this regard), the absence of conveyance by all right holders, rights of adverse possessors, non-procurement of khata in the name of the owner, ownership claims of family members of prior owners, or other defects that we may not be aware of. Thus, we may not be able to assess or identify all the relevant risks and liabilities associated with defects or irregularities of title. Any acquisition made by us in reliance on our assessment of such information, or the assessment of such information by a third party, is subject to risks and potential liabilities arising from the inaccuracy or incompleteness of such information. If such information later proves to be inaccurate, any defects or irregularities of title may result in our loss of title or rights over land, and the cancellation of our development plans in respect of such land. Any inability to identify defects or irregularities of title, and any inability to correct any such defects or irregularities of title, on lands that we plan to develop may have a material and adverse effect on our business, financial condition and results of operations.

Additionally, property records in India have not been fully computerized and are generally maintained manually with physical records of all land related documents, which are also manually updated. This updating process can take a significant amount of time and can result in inaccuracies or errors and increase the difficulty of obtaining property records and/or materially impact our ability to rely on them. As a result, the title of the real property in which we may invest may not be clear or may be in doubt.

Further, legal disputes in respect of land title can take several years and can entail considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land, which is the subject of our agreements, are unable to resolve such disputes with these claimants, we may either lose our interest in such land or may be rendered unable to commence or continue development thereon. Certain of our projects, even if classified as Completed Projects, are subject to litigation relating to title of underlying land. If the outcome of such litigation is not favorable to us, we may be subject to liabilities, which may not be ascertainable.

The failure to obtain good title to a particular plot of land may materially prejudice the success of any development for which that plot is a critical part and may require us to write-off expenditure in respect of the development. For details of litigation relating to land, see section "Legal Proceedings" on page 163.

Some of our projects are executed through joint ventures in collaboration with third parties or by entering into joint development agreements where the title to land remains with the land owner during the term of the project. In some of these projects, the title to the land may be owned by one or more such third parties. In such instances, there can be no assurance that the persons with whom we have entered into joint ventures or joint development agreements, as the case may be, have clear title to such land and that there are no encumbrances on such land.

A lack of title insurance, coupled with difficulties in verifying title to land, may increase our exposure to third parties claiming title to the property. This could result in a delay in our selling the property or even a loss of title to the property, affect valuations of the property, or otherwise materially prejudice the development of the property which could in turn have a material and adverse effect on our business, financial condition or results of operations.

***Land is subject to compulsory acquisition by the government and compensation in lieu of such acquisition may be inadequate.***

The right to own property in India is subject to restrictions that may be imposed by the Government. In particular, the Government under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and (the "**Land Acquisition Act**") has the right to compulsorily acquire any land if such acquisition is for a "public purpose", after providing compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such acquisitions may increase as central and state governments seek to acquire land for the development of infrastructure projects such as roads, railways, airports and townships. Additionally, we may face difficulties in interpreting and complying with the provisions of the Land Acquisition Act, due to limited jurisprudence on them in the event our interpretation differs from or contradicts any judicial pronouncements or clarifications issued by the government. In the future, we may face regulatory actions or we may be required to undertake remedial steps. Any such action in respect of any of the projects in which we are investing or may invest in the future may adversely affect our business, financial condition or results of operations.

***We undertake our real estate developments by entering into joint ventures with various parties, and in a majority of such cases, incorporate partnerships with unlimited liability to undertake such joint venture projects.***

We enter into joint venture arrangements and partner with land owners and other parties at times to undertake real estate projects in instances where we do not own land. In such cases we usually incorporate a partnership firm with our joint venture partners, and the ownership rights with respect to the project is generally vested in such partnership firms that executes such joint venture projects. For more details please see "Business – Joint Venture Model" on page 108. A liability arising with respect to customer complaints or in respect of dues and damages to any other third parties including sub-contractors will not be limited to the contribution made by the partners to the partnership as the partnership firms undertaking the projects have unlimited liability under Indian laws.

***Our business is subject to a variety of safety, health and environmental laws and regulations. Any failure on our part to comply with applicable environmental laws and regulations could have an adverse effect on our business, financial condition, cash flows and results of operation.***

As a real estate development company, we are required to comply with various laws and regulations relating to the environment. Some of our project operations are subject to environmental laws and regulations including the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards (PCBs) of the relevant states. We may incur substantial costs in complying with environmental laws and regulations. There can be no assurance that compliance with such laws and regulations will not result in completion delays or material increases in our costs or otherwise have an adverse effect on our financial condition and results of operations.

We believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by governmental authorities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as orders that could limit or halt our operations.

There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remedial costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

***We have not obtained trademark registrations for our corporate name "Ashiana" and our logo. If we are not successful in enforcing our intellectual property rights for any reason, it may have an adverse effect on our reputation, goodwill, business, prospects, financial condition and results of operations.***

We believe that there is significant goodwill associated with our brand "Ashiana" which has contributed significantly towards our success. However, we have not registered any copyright, trademark, tradename or other intellectual property right in relation to our brand or our logo, and have received objections in connection with certain of our trademark applications. As a result, we may not be able to prevent the use of this name or variations thereof by any other party, nor ensure that we will continue to have a continued right of usage. We further cannot assure you that our goodwill in such brand name or logo will not be diluted by third parties due to our failure to register the same, which in turn would have a material adverse effect on our reputation, goodwill, business, prospects, financial condition and results of operations. For details in relation to the legal proceedings involving intellectual property infringments, please see section "Legal Proceedings" on page 163.

***Our business may suffer if we are unable to sustain the quality of our property management services.***

As part of our business, we provide property management services to our completed residential, commercial and retail developments. These services include, among others, security management, building maintenance and the operation of leisure facilities such as swimming pools and fitness centres. We believe that our property management services are an integral part of our business and are important to the successful marketing and promotion of our property developments. If owners of the projects that we have developed elect to discontinue the services provided by our property management subsidiary, our property management business would be adversely impacted, which in turn could adversely affect the attractiveness of our developments.

***Any failure in our IT systems could adversely impact our business.***

Any delay in implementation or disruption of the functioning of our IT systems could disrupt our ability to track, record and analyze work in progress or causing loss of data and disruption to our operations, including an inability to assess the progress of our projects, process financial information or manage creditors/debtors or engage in normal business activities. This could have a material adverse effect on our business.

***We primarily operate in industrial hubs located along the Delhi – Mumbai industrial corridor, which is expected to grow at a significant rate in the near future.***

We primarily operate in areas such as the Delhi Mumbai industrial corridor which are expected to experience growth at a significant rate in the near future based on endeavors promoted by the Government of India. Growth at a rate lower than expectations in such geographies may result in a lowering of demand for our real estate developments, which may in-turn result in a material adverse effect on our business and margins.

***The Government proposes to enact the Real Estate (Regulation and Development) Bill, 2013 (the "Real Estate Bill") with respect to real estate projects. Pending the Real Estate Bill becoming a statute, our Company is currently not in a position to analyze the requirements that our Company may have to comply with in accordance with the Real Estate Bill and accordingly predict the impact it may have on our business, prospects, financial condition and results of operations.***

The Government of India proposes to enact the Real Estate Bill which is expected to include, inter alia, requirements to register real estate projects and obtain a certificate of registration and other approvals from the relevant authority constituted thereunder. Failure to comply with such provisions may attract penalties from the relevant authorities and/ or cause delays in the completion of a project. The Real Estate Bill is yet to be approved by the Parliament of India and will require publication in the Official Gazette before becoming a law. There is no certainty that the Real Estate Bill will be passed in its current form, or at all, and our Company is accordingly not in a position to analyze the requirements that our Company may have to comply with and the implications of the same on our business and results of operations. At this stage, we cannot predict with certainty the impact of the Real Estate Bill on our business and operations, if enacted.

**Risks Relating to Doing Business in India**

***The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

The Indian Parliament enacted the Companies Act, 2013, most of the provisions of which have been notified by the Government of India, which also has started promulgating various rules and regulations there under. To the extent the Companies Act, 2013 has not been notified the Companies Act, 1956 continues to be applicable. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer document, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading, and restrictions on directors and key managerial personnel from engaging in forward dealing. We are also expected to spend, in each financial year, at least 2.0% of our average net profits during three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by SEBI). Recently, SEBI issued revised corporate governance guidelines which are effective from October 1, 2014. Pursuant to the revised guidelines, we will be required to, amongst other things, ensure that there is at least one woman director on our Board at all times, establish a vigilance mechanism for directors and employees, and reconstitute certain committees in accordance with the revised guidelines. We may face difficulties in complying with any such overlapping requirements. Further, our Company is in the process of evaluating the full impact of provisions of the Companies Act, 2013 and the revised SEBI corporate governance guidelines, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**") regulates practices having "appreciable adverse effects on competition" ("**AAEC**") in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of subscribers in the relevant market, or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011 (as amended) which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, but we have received notice in the past, in relation to non-compliance with the Competition Act or the agreements entered into by us. For details, please see section "Legal Proceedings" on page 163. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

***The Indian economy has had sustained periods of high interest rates and/or inflation.***

The majority of our direct costs are incurred in India. India has experienced high levels of inflation since 1980, with the wholesale price index based inflation rate peaking at an annual rate of 13.7% in 1991. Notwithstanding recent reductions in the inflation rate, based on the wholesale price index, which was 9.6% in the financial year 2011, 8.9% in the financial year 2012, 7.4% in the financial year 2013 and 6.0% in the financial year 2014 *(Source: Reserve Bank of India)*, we tend to experience inflation-driven increases in certain of our costs, such as salaries and related allowances, that are linked to general price levels in India. However, we may not be able to increase the tariffs that we charge for our services sufficiently to preserve operating margins. Accordingly, high rates of inflation in India could increase our costs and decrease our operating margins, which could have an adverse effect on our business and results of operations.

***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our financial statements are prepared and presented in conformity with Indian GAAP. No attempt has been made to reconcile any of the information given in this Placement Document to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting framework with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on your familiarity with Indian GAAP.

***Investors may not be able to enforce a judgment of a foreign court against our Company***

Our Company is a limited liability company incorporated under the laws of India. Most of our Directors are residents of India and the assets of our Company are substantially located in India. As a result, it may not be possible for investors to effect against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy. For details see the section "*Enforcement of Civil Liabilities*".

***India's infrastructure may be less developed than that of many developed nations.***

India's infrastructure may be less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or other public facilities could disrupt our normal business activity. Any material deterioration of India's infrastructure, including technology and telecommunications, adds costs to doing business in India. These problems could interrupt our business operations and reduce demand for our services, which could have an adverse effect on our business and results of operations.

***Terrorist attacks, communal disturbances and regional conflicts in South Asia may have a material adverse effect on our business and on the market for securities in India.***

Terrorist attacks, whether in India or another country may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Some parts of India have experienced communal disturbances and riots during recent years. If such events recur, our business and financial condition may be adversely affected.

South Asia has, from time to time, experienced instances of civil unrest. Military activity or terrorist attacks in the future could adversely affect the Indian economy, and the financial condition and results of operations of Indian companies, including us, which would have an adverse effect on the trading price of our Equity Shares.

***A downgrade in India's credit rating may have an adverse effect on our business, results of operations or Equity***

***Shares.***

Downgrades to India's sovereign credit rating by any rating agency, as well as negative changes to the perceived creditworthiness of Indian Government-related obligations, could have an adverse impact on financial markets and economic conditions in India and worldwide. Any volatility in the capital markets in India or in other developed or emerging countries, whether resulting from a downgrade of the sovereign credit rating of Indian debt obligations or otherwise, may have an adverse effect on our business and the trading price of our Equity Shares.

***A slowdown in economic growth in India and other countries in which we operate could cause our business to suffer.***

Our results of operations and financial condition are dependent on, and have been adversely affected by, conditions in financial markets in the global economy, and, particularly in India and the other countries in which we operate. In the recent past, the Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. GDP growth for the financial year 2014 increased marginally to 4.7% from 4.5% for the financial year 2013. The RBI, in its recent monetary policy reviews, has indicated that inflation continues to be a concern and further tightening measures may be required. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares.

The uneven global recovery reflects several underlying issues and consequent risks. First, despite indications of a gathering recovery momentum, and tax reliefs, raising questions on the sustainability of such policy approach and the impact of the eventual unwinding and reversal of these stimuli. Should a further downgrade of the sovereign credit ratings of the U.S. government occur, it is foreseeable that the ratings and perceived creditworthiness of instruments issued, insured or guaranteed by institutions, agencies or instrumentalities directly linked to the U.S. government could also be correspondingly affected by any such downgrade. Instruments of this nature are widely used as collateral by financial institutions to meet their day-to-day cash flows in the short-term debt market. Any increase in borrowing rates in the U.S. may result in lesser foreign investments into emerging economies such as India, possibly impacting their economic growth.

In Europe, especially the Eurozone, large budget deficits and rising public debts have triggered sovereign debt finance crisis that resulted in the bailouts of Greece, Ireland, Portugal and Spain and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility.

Japan has also experienced deflationary pressure since the early 1990s, made worse by the devastating earthquake and tsunami of March 2011 and the consequent damage to its nuclear industry. Prime Minister Abe Shinzo's policy of monetary easing which includes measures such as inflation targeting at a 2% annual rate, correction of the excessive yen appreciation, setting negative interest rates, radical quantitative easing and expansion of public investment has resulted in a weaker Yen, thus increasing the cost of imports, including food, oil and other natural resources upon which Japan is highly reliant. In emerging and developing economies, particularly China, India, Brazil and Russia, risks to macroeconomic and financial stability have arisen from the influx of short-term capital, excessive currency movements and pressures on general and asset price inflation. These have necessitated further policy tightening, introduction of liquidity management measures and imposition of some forms of capital controls.

The resulting economic pressure on the economies in which we operate, a general lack of confidence in the financial markets and fears of a further worsening of the economy have affected and may continue to affect the economic conditions in such countries. We cannot assure you that the markets in which we operate will undergo a full, timely and sustainable recovery. The economic turmoil may continue or take place in the future, adversely affecting our business, results of operations and financial condition.

***There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in India and that in the markets in the United States and certain other countries. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in certain other countries

***Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of its Equity Shares may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The governments in the past have sought to implement economic reforms policies and have undertaken initiatives that continue the economic liberalization policies pursued by the previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting power or real estate sector, foreign investment and other matters affecting investment in our securities could change as well. A new government was elected in May 2014. The newly elected government may announce new policies or withdraw existing benefits, which may be applicable to our sector. Any significant change in such policies could adversely affect business and economic conditions in India, generally, and our results of operations and financial condition, in particular.

***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our articles of association, regulations of our board of Directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

***Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring us.***

The Takeover Code contains certain provisions that may delay, deter or prevent a future takeover or change in control. These provisions may discourage a third party from attempting to take control over our business, even if change in control would result in the purchase of our Equity Shares at a premium to the market price or would otherwise be beneficial to the investor. For more information, see the section "The Securities Market of India" on page 145.

**Risks relating to the Issue**

***We intend to deploy our issue proceeds in our existing business and general corporate purposes and we may not apply the proceeds in ways that yield a favourable result to us.***

Our management will have broad discretion to use the proceeds from this offering, and you will be relying on the judgment of our management regarding the application of these proceeds. Please see "Use of Proceeds" on page 59. We may not be able to apply the proceeds of this offering in ways that may lead to a favourable return to us in all cases or at all.

***We cannot guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or will be listed at all.***

In accordance with Indian law and practice, after the Board passes the resolution to allot the Equity Shares but prior to crediting such equity shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for final listing approval. After receiving the final listing approval from the Stock Exchanges, we will credit the equity shares into the Depository Participant accounts of the respective QIBs and apply for the final trading approval from the Stock Exchanges. There could be a delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing or commencement of trading of the Equity Shares on the Stock Exchanges. Any delay in our own ability to obtain these approvals would restrict your ability to dispose of your equity shares.

***An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.***

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of the Equity Shares, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

***The price of the Equity Shares may be volatile.***

The trading price of our equity shares may fluctuate after this Placement due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian internet and advertising industry and the perception in the market about investments in the advertising industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our equity shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our equity shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our equity shares.

***Any future issuance of equity shares by our Company or sales of our equity shares by any of our Company's significant shareholders may adversely affect the trading price of our equity shares.***

Any future issuance of equity shares by us, including pursuant to a new employee stock option scheme, or pursuant to any acquisition that we may undertake, could dilute your shareholding. Any such future issuance of our equity shares or sales of our equity shares by any of our significant shareholders may also adversely affect the trading price of our equity shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further equity shares or that the shareholders will not dispose of, pledge, or otherwise encumber their equity shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our equity shares.

***You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.***

Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favor of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without us filing a placement document or registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian would receive upon the sale of such securities, if any, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by you, your proportional interest in us would be reduced.

***Investors may be subject to Indian taxes arising out of capital gains on the sale of our equity shares.***

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months of acquisition in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax has been paid on the transaction. Securities transaction tax will be levied on and collected by a domestic stock exchange on which our equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no securities transaction tax has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of our equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our equity shares. The above statements are based on the current tax laws. However, the Government has proposed the introduction of the Direct Tax Code, 2013 which will revamp the implementation of direct taxes. If the same is brought into effect, the tax impact mentioned above will be altered by the Direct Tax Code, 2013.

***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our equity shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authorities. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

***SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.***

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell the Equity Shares at their preferred price or at all at any particular point in time.

***Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.***

In terms of the SEBI Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

## MARKET PRICE INFORMATION

As on date, 93,049,775 Equity Shares have been issued, subscribed and fully paid up.

Our Company's Equity Shares have been listed on NSE since June 29, 2011 and BSE since May 20, 1993. As the Equity Shares are actively traded on the Stock Exchanges, the stock market data has been given separately for each of these Stock Exchanges.

On February 2, 2015 the closing price of the Equity Shares on NSE and BSE was ₹ 219.65 and ₹ 220.45 per Equity Share, respectively.

i) The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Financial Years ended March 31, 2012, March 31, 2013 and March 31, 2014:

| NSE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial Year | High (₹) | Date of High | Number of Equity Shares traded on the date of high | Total volume of Equity Shares traded on the date of high (In ₹ million) | Low (₹) | Date of low | Number of Equity Shares traded on the day of low | Total volume of Equity Shares traded on the date of low (In ₹ million) | Average closing price for the year/period (In ₹)* | Total volume of Equity Shares traded in the Financial Year/period | |
| | | | | | | | | | | In number | (In ₹ million) |
| Post-Split (trading data from October 24, 2013 onwards) | | | | | | | | | | | |
| 2014 | 88.80 | March 31, 2014 | 7,620 | 0.67 | 47.25 | October 29, 2013 | 5,828 | 0.28 | 69.95 | 14,75,290 | 104.59 |
| Pre-Split | | | | | | | | | | | |
| 2014 | 271.90 | May 28, 2013 | 5,338 | 1.45 | 193.30 | August 1, 2013 | 1,305 | 0.25 | 231.30 | 3,31,529 | 76.54 |
| 2013 | 254.35 | March 07, 2013 | 1,535 | 0.39 | 148.70 | August 13, 2012 | 1,02,412 | 15.36 | 187.52 | 10,51,465 | 207.19 |
| 2012 | 176.80 | March 12, 2012 | 3,532 | 0.63 | 129.40 | December 20, 2011 | 705 | 0.09 | 151.68 | 9,08,356 | 137.19 |

*(Source: www.nseindia.com)*
** Average of the daily closing price*
*Note: High and low prices are of the daily closing prices.*

| BSE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial Year | High (₹) | Date of High | Number of Equity Shares traded on the date of high | Total volume of Equity Shares traded on the date of high (In ₹ million) | Low (₹) | Date of low | Number of Equity Shares traded on the day of low | Total volume of Equity Shares traded on the date of low (In ₹ million) | Average closing price for the year/period (In ₹)* | Total volume of Equity Shares traded in the Financial Year/period | |
| | | | | | | | | | | In number | (In ₹ million) |
| Post-Split (trading data from October 24, 2013 onwards) | | | | | | | | | | | |
| 2014 | 88.60 | March 31, 2014 | 2,903 | 0.26 | 47.00 | October 29, 2013 | 4,023 | 0.19 | 69.92 | 8,61,592 | 59.72 |
| Pre-Split | | | | | | | | | | | |
| 2014 | 271.95 | May 28, 2013 | 4,596 | 1.25 | 192.55 | August 5, 2013 | 449 | 0.09 | 231.19 | 1,54,378 | 35.40 |
| 2013 | 258.60 | March 14, 2013 | 6,046 | 1.52 | 150.00 | August 9, 2012 | 2,563 | 0.39 | 187.45 | 7,27,590 | 141.94 |
| 2012 | 175.80 | March 13, 2012 | 2,417 | 0.42 | 113.40 | May 19, 2011 | 2,394 | 0.27 | 145.05 | 12,34,995 | 179.54 |

*(Source: www.bseindia.com)*
** Average of the daily closing price*
*Note: High and low prices are of the daily closing prices.*

ii) The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total volume of Equity Shares traded during each of the last six months:

| NSE |
|---|

| Month Year | High (In ₹ ) | Date of High | Number of Equity Shares traded on the date of high | Total volume of Equity Shares traded on the date of high (In ₹ million) | Low (₹ ) | Date of low | Number of Equity Shares traded on the day of low | Total volume of Equity Shares traded on the date of low (In ₹ million | Average closing price for the month /period (In ₹ )* | Total volume of Equity Shares traded in the month/period | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | In number | (In ₹ million) |
| January, 2015 | 227.15 | January 13, 2015 | 50,352 | 11.48 | 193.55 | January 1, 2015 | 13,844 | 2.71 | 220.07 | 9,74,565 | 215.37 |
| December, 2014 | 210.85 | December 03, 2014 | 60,270 | 12.52 | 184.45 | December 17, 2014 | 36,821 | 6.71 | 196.88 | 6,20,580 | 122.50 |
| November, 2014 | 193.85 | November 28, 2014 | 1,18,250 | 23.20 | 170.40 | November 05, 2014 | 21,923 | 3.74 | 178.53 | 6,07,009 | 110.54 |
| October, 2014 | 177.00 | October 23, 2014 | 19,242 | 3.40 | 152.85 | October 16, 2014 | 15,096 | 2.35 | 164.33 | 4,19,930 | 70.38 |
| September, 2014 | 179.95 | September 23, 2014 | 81,117 | 14.67 | 148.55 | September 16, 2014 | 17,666 | 2.64 | 156.65 | 7,45,830 | 120.80 |
| August, 2014 | 165.40 | August 07, 2014 | 9,241 | 1.52 | 148.20 | August 26, 2014 | 11,985 | 1.78 | 157.07 | 2,95,435 | 47.07 |

*(Source: www.nseindia.com)*
** Average of the daily closing price*
*Note: High and low prices are of the daily closing prices.*

| BSE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Month Year | High (In ₹ ) | Date of High | Number of Equity Shares traded on the date of high | Total volume of Equity Shares traded on the date of high (In ₹ million) | Low (₹ ) | Date of low | Number of Equity Shares traded on the day of low | Total volume of Equity Shares traded on the date of low (In ₹ million | Average closing price for the month/ period (In ₹ )* | Total volume of Equity Shares traded in the month/period | |
| | | | | | | | | | | In number | (In ₹ million) |
| January, 2015 | 226.80 | January 13, 2015 | 12,414 | 2.84 | 193.70 | January 1, 2015 | 4,646 | 0.91 | 220.06 | 5,02,230 | 110.81 |
| December, 2014 | 211.20 | December 03, 2014 | 14,252 | 2.97 | 184.00 | December 17, 2014 | 28,436 | 5.09 | 196.40 | 2,41,647 | 46.86 |
| November, 2014 | 194.05 | November 28, 2014 | 33,548 | 6.57 | 169.85 | November 03, 2014 | 5,242 | 0.90 | 178.51 | 1,56,498 | 28.51 |
| October, 2014 | 177.75 | October 23, 2014 | 8,957 | 1.60 | 151.50 | October 16, 2014 | 5,144 | 0.80 | 164.51 | 1,38,221 | 23.18 |
| September, 2014 | 178.90 | September 23, 2014 | 22,524 | 4.07 | 148.95 | September 02, 2014 | 5,063 | 0.76 | 156.76 | 1,92,807 | 31.33 |
| August, 2014 | 166.05 | August 07, 2014 | 2,085 | 0.34 | 147.50 | August 27, 2014 | 5,081 | 0.75 | 157.06 | 1,02,335 | 16.19 |

*(Source: www.bseindia.com)*
** Average of the daily closing price*
*Note: High and low prices are of the daily closing prices.*

iii) The following table sets forth the market price on the Stock Exchanges on November 12, 2014, the first working day following the approval of the Board of Directors for the Issue:

| NSE | | | | | | BSE | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Open | High | Low | Close | Number of Equity Shares Traded | Volume (In ₹ million) | Open | High | Low | Close | Number of Equity Shares Traded | Volume (In ₹ million) |
| 186.90 | 187.00 | 178.10 | 180.15 | 31,410 | 5.68 | 186.25 | 186.25 | 178.00 | 180.05 | 10,136 | 1.84 |

***Notes*:**

1. High and low prices are based on the high and low of the daily prices.

2. In case of two days with the same closing price, the date with the higher volume has been chosen.

3. Average of the closing price for the year/month/period, represents the average of the closing prices for that year/month/period.

## USE OF PROCEEDS

The gross proceeds from the Issue will be approximately ₹ 2,000 million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 1,958.60 million (the "**Net Proceeds**").

Subject to compliance with applicable laws and regulations, we intend to use the Net Proceeds of the Issue for construction and development of existing as well as new projects; for land procurement; for capital expenditure for projects under development; for development costs of new projects (either directly or through our group entities, joint ventures or affiliates currently incorporated or to be incorporated/ acquired); for other general working capital requirements; for strengthening the balance sheet of the Company including repayment of debts and other general corporate purposes.

In accordance with the policies approved by the Board and as permissible under applicable laws and government policies, our management will have flexibility in deploying the proceeds received from the Issue. Pending utilisation for the purposes described above, we intend to temporarily invest funds in creditworthy instruments, including money market Mutual Funds and deposits with banks and corporates. Such investments would be in accordance with the investment policies as approved by the Board from time to time and will also be in accordance with all applicable laws and regulations.

Our Promoters or Directors are not making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

## CAPITALIZATION AND INDEBTEDNESS

As of the date of this Placement Document, our Company's authorized share capital is ₹ 350,000,000 consisting of 175,000,000 Equity Shares of ₹ 2 each. Our Company's issued, subscribed and paid up capital is ₹ 186,099,550 divided into 93,049,775 Equity Shares of ₹ 2 each.

The following table sets forth our capitalization (including indebtedness) on a consolidated basis as of March 31, 2014 and September 30, 2014 on the basis of the audited consolidated financial statements of the Company as of March 31, 2014 and unaudited condensed consolidated interim financial statements of the Company as of and for the six month period ended September 30, 2014 and as adjusted to give effect to the receipt of the gross proceeds of the Issue and the application thereof.

You should read this table together with the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on page 64 and 172, respectively and the related notes thereto included elsewhere in this Placement Document.

| | **As at March 31, 2014 (Audited) (Unadjusted)** | **As at September 30, 2014 (Unaudited)** | |
|---|---|---|---|
| **Particulars** | | **Unadjusted** | **As adjusted for the Issue*** |
| | | | |
| **Indebtedness** | | | |
| - Secured Borrowings | 123.14 | 426.48 | 426.48 |
| - Unsecured Borrowings | Nil | Nil | Nil |
| **Total Indebtedness (A)** | **123.14** | **426.48** | **426.48** |
| | | | |
| **Shareholders' Funds** | | | |
| - Share Capital | 186.10 | 186.10 | 204.70 |
| - Reserves and Surplus | 2,658.46 | 2,755.76 | 4,737.16 |
| **Total Shareholders' Funds (B)** | **2,844.56** | **2,941.86** | **4,941.86** |
| | | | |
| **Total Capitalisation (A+B)** | **2,967.70** | **3,368.34** | **5,368.34** |

Note:
* Share Capital, Reserves and Surplus (Adjusted) and Post issue capitalisation can be determined only on the conclusion of the placement.

## CAPITAL STRUCTURE

The Equity Share capital of the Company as at the date of this Placement Document is set forth below:

*(In ₹ except share data)*

| | *Aggregate value at face value* |
|---|---|
| **A. AUTHORIZED SHARE CAPITAL** | |
| 175,000,000 Equity Shares | 350,000,000 |
| | |
| **B. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSSUE** | |
| 93,049,775 Equity Shares | 186,099,550 |
| | |
| **C. PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**<br>9,302,324 Equity Shares aggregating to ₹ 2,000 million(1) | 18,604,648 |
| | |
| **D. PAID-UP CAPITAL AFTER THE ISSUE**<br>102,352,099 Equity Shares | 204,704,198 |
| | |
| **E. SECURITIES PREMIUM ACCOUNT** | |
| Before the issue | 14,400,000(2) |
| After the issue | 1,995,795,012 |

***Note:***

*(1) The Issue has been authorised by the Board on November 11, 2014, and approved by the shareholders of the Company through postal ballot resolution dated January 10, 2015.*

*(2) The amount mentioned in the Securities Premium Account is on account of amalgamation of Ashiana Retirement Villages Limited (an erstwhile subsidiary of the Company) with the Company.*

**Equity Share Capital History of our Company**

The history of the Equity Share capital of the Company is provided in the following table:

| Date of Allotment | No of Equity Shares Allotted | No. of Equity Shares (Cumulative) | Face Value (In ₹) | Issue price per Equity Share (In ₹) | Consideration |
|---|---|---|---|---|---|
| June 27, 1986 | 70 | 70 | 10 | 10 | Cash |
| August 14, 1986 | 2,000 | 2,070 | 10 | 10 | Cash |
| February 17, 1987 | 47,930 | 50,000 | 10 | 10 | Cash |
| February 5, 1988 | 100,000 | 150,000 | 10 | 10 | Cash |
| September 5, 1989 | 290,000 | 440,000 | 10 | 10 | Cash |
| February 20, 1990 | 10,000 | 450,000 | 10 | 10 | Cash |
| June 8, 1990 | 150,000 | 600,000 | 10 | 10 | Cash |
| February 10, 1992 | 600,000 | 1,200,000 | 10 | 10 | Cash |
| September 4, 1992 | 2,070,000 | 3,270,000 | 10 | 10 | Cash |
| September 4, 1992 | 90,000 | 3,360,000 | 10 | 10 | Cash |
| February 29, 1996 | 1,726,600 | 5.086,600 | 10 | 10 | Cash |
| November 25, 2000 | 762,000 | 5,848,600 | 10 | 10 | Cash |
| November 25, 2000 | (495,500) (1) | 5,353,100 | 10 | N.A. | N.A. |
| March 1, 2008 | 13,382,750 | 18,735,850 | 10 | - | Bonus in the ratio of 5 equity shares for every two equity shares |
| March 21, 2011 | (125895)(2) | 18,609,955 | 10 | N.A. | N.A. |
| On October 25, 2013, 18,609,955 equity shares of face value of Rs. 10 each were sub-divided into 93,049,775 Equity Shares. | | | | | |

**Note:**

*(1) Cancellation of shares as per scheme of amalgamation between Woodburn Commercial Limited and the Company approved by the High Court of Kolkata by its order dated July 3, 2000.*

*(2) Cancellation of shares pursuant to scheme of amalgamation between Ashiana Retirement Villages Limited and the Company approved by High Court of Kolkata by its order dated March 21, 2011.*

The Company has not made any allotment of Equity Shares in the last one year preceding the date of filing of this Placement Document.

## DIVIDEND POLICY

The declaration and payment of dividend by our Company is governed by the applicable provisions of the Companies Act and our Articles. For further information, see "Description of Equity Shares" on page 148.

Under the Companies Act, an Indian company pays dividends upon the recommendation by its Board of directors and approval by a majority of the shareholders at the annual general meeting ("**AGM**"), who have the right to decrease but not to increase the amount of the dividend recommended by the Board of directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or free reserves of previous Financial Years or out of both.

The declaration and payment of dividend will be recommended by the Board of directors and approved by the shareholders at their discretion and will depend on the Company's revenues, cash flows, financial condition (including capital position) and other factors. The declaration and payment of equity dividend would be governed by the applicable provisions of the Companies Act and Articles of Association of the Company.

The following table details the dividend declared by our Company on the Equity Shares for the Financial Years 2012, 2013 and 2014.

| Financial Year | Face Value per Equity Share | Dividend per Equity Share | Total Amount of Dividend[(1)] |
|---|---|---|---|
| | (In ₹) | (In ₹) | (In ₹ million) |
| 2012 | 10 | 2.25 | 41.87 |
| 2013 | 10 | 2.25 | 41.87 |
| 2014 | 2* | 0.50 | 46.52 |

***Notes:***

1. Dividends excluding corporate dividend distribution tax.
2. The face value of the equity shares of the Company was sub-divided into equity shares of ₹ 2 each from equity shares of ₹ 10 each on October 25, 2013.

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Dividends are payable within 30 days of approval by the shareholders in an AGM. The Articles grant discretion to the Board to declare and pay interim dividends as appear to it to be justified by the profits of our Company. Dividends can only be paid in cash to shareholders listed on the register of shareholders or those persons whose names are entered as beneficial owner in the records of the Depository on the date specified as the 'record date' or 'book closure date'. Any shareholder who ceases to be a shareholder prior to the record date or who becomes a shareholder after the record date will not be entitled to the dividend declared by our Company.

Under the current Indian tax laws, dividends are not subject to income tax in India in the hands of the recipient. However, our Company is liable to pay a "dividend distribution tax" currently at the rate of 15% plus a surcharge at 10% on the dividend distribution tax and an education cess at the rate of 3% on dividend distribution tax and surcharge. The effective rate of dividend distribution tax is approximately 16.995% on the total amount of dividend declared and paid by the Company. However, the Finance Act (No 2), 2014 has with effect from October 1, 2014 amended the provisions of Section 115-O to provide that tax on dividends to be distributed by domestic companies is to be computed on the grossed up amount of dividend by the rate of tax on such dividend, instead of the net amount paid. Thus, effective tax rate of dividend distribution tax from October 1, 2014 shall be 20.47% on amount actually distributed as dividend to the shareholders of our Company. See section "Statement of Tax Benefits" on page 153.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We discuss below our historical results of operations and financial condition as of and for the years ended March 31, 2012, 2013 and 2014 and the six month period ended September 30, 2014, and our assessment of the factors that may affect our prospects and performance in future periods. You should read the following discussion together with our audited consolidated financial statements as of and for the years ended March 31, 2012, 2013 and 2014 and our unaudited interim condensed consolidated financial statements as of and for the six month period ended September 30, 2014. We have prepared our financial statements in accordance with Indian GAAP and in compliance with the Accounting Standards issued by the ICAI, which may differ in certain significant respects from generally accepted accounting principles in other countries. Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. Accordingly, the degree to which the financial statements in this Placement Document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian accounting practices. This discussion and analysis contains forward -looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward - looking statements as a result of any number of factors, including those set forth in this section and in the sections "Risk Factors" and "Forward-Looking Statements" on pages 38 and 11, respectively. For purposes of the discussion below, the term "FY2012" refers to the year ended March 31, 2012; the term "FY2013" refers to the year ended March 31, 2013; the term "FY2014" refers to the year ended March 31, 2014; and the term "H12015" and "H12014" refers to the six month period ended September 30, 2014 and the six month period ended September 30, 2013, respectively. Figures have been converted into '*millions'*.

### Overview

We are primarily involved in middle to upper-middle income residential housing projects in satellite cities and towns in India, around industrial hubs, predominantly along the Delhi-Mumbai industrial corridor being promoted by the Government of India. Our residential real estate development projects range from apartments to group housing projects. In addition, as part of our commercial real estate development, we develop limited retail and commercial properties, including the construction of hotels.

We were incorporated on June 25, 1986 under the Companies Act, 1956, as Ashiana Housing & Finance (India) Limited. Subsequently, the name of the Company was changed to its present name in the year 2007.

We are an integrated real estate development company involved in all activities associated with real estate development, including, identification and acquisition of land, planning, designing, construction and marketing of our projects and providing facilities management services including services such as identification of third parties lessees/buyers for our existing customers. We undertake our projects through our in-house team of professionals and by engaging architects and consultants. While designing and developing a project, we rely on a research based approach for layout planning, utilisation of area earmarked for development as per our plans approvals, unit size, amenities, interiors and sales and marketing strategy. Depending upon the market scenario, regulatory practice and consumer preferences, we plan our development mix and product design. We also regularly interact with our customers to receive direct feedback on the quality of our projects.

We believe that we have established a strong brand image, have a successful track record of execution and a diversified portfolio of real estate projects. As of December 31, 2014, we have completed 24 residential developments and 6 commercial developments, aggregating to 10.74 million square feet of Saleable Area. As of December 31, 2014, we had:

- 13 Ongoing Projects comprising 11 residential developments and 2 commercial developments, aggregating approximately 6.38 million square feet of Saleable Area; and
- 15 Future Projects comprising 13 residential developments and 2 commercial developments, aggregating approximately 8.40 million square feet of Saleable Area.

As of December, 2014, we had Land available for Future Development aggregating to 4.85 million square feet of saleable area. Our Land available for Future Development comprises lands located at Kolkata, Milakhpur (Bhiwadi) and ICD (Bhiwadi) in which we have obtained any right or interest, or have entered into agreements to sell/memorandum of understanding with respect to such rights or interest, as the case may be. Such lands do not form part of our Completed, Ongoing and Future Projects.

Our residential real estate business can be categorised into the following main segments:

- ***Comfort Homes***

  The comfort homes are designed for middle to upper middle income customer segment. Our Comfort Homes are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and power back-up. As at December 31, 2014, we sold 10,165 units of Comfort Homes aggregating to 13.44 million square feet of Saleable Area.

- ***Senior Living***

  The homes are specially designed keeping in mind the needs of seniors citizens. These apartments come with features such as anti-skid tiles, grab rails, big-sized switches and wall mounted night lamps. Other features include an emergency response system, doctor-on-call services and a 24 hour ambulance service. We believe that our project Ashiana Utsav was one of India's first senior living resorts at Bhiwadi. We also have senior living projects in Jaipur and Lavasa. As at December 31, 2014, we sold 1,186 units of Senior Living houses aggregating to 1.48 million square feet of Saleable Area.

A brief description of our ongoing projects in the various segments where we operate is as below:

| **Economic Interest (%)** | **Ongoing Projects, Location** | **Type** | | |
|---|---|---|---|---|
| | | **Comfort Homes (Total Saleable Area of the Project in sq. ft.)** | **Senior Living (Total Saleable Area of the Project in sq. ft.))** | **Commercial (Total Saleable Area of the Project in sq. ft.))** |
| 100% | Ashiana Surbhi (Bhiwadi, Rajasthan) | 280,080 | - | - |
| | Ashiana Aangan Neemrana (Neemrana, Rajasthan) | 420,000 | - | - |
| | Ashiana Town Beta (Bhiwadi, Rajasthan) | 1,562,680 | - | - |
| | Ashiana Umang (Jaipur, Rajasthan) | 401,280 | - | - |
| | Ashiana Marine Plaza (Jamshedpur, Jharkhand) | - | - | 81,743 |
| | Ashiana Utsav Senior Living (Phase 2 & 3) (Lavasa, Maharashtra) | - | 382,164 | - |
| Developed under joint development agreement with land owner on revenue sharing basis in which our Company has economic interest of 81% of revenue sharing. | Ashiana Navrang (Halol, Gujarat) | 444,960 | - | - |

| Economic Interest (%) | Ongoing Projects, Location | Type | | |
|---|---|---|---|---|
| | | Comfort Homes (Total Saleable Area of the Project in sq. ft.) | Senior Living (Total Saleable Area of the Project in sq. ft.)) | Commercial (Total Saleable Area of the Project in sq. ft.)) |
| Developed under joint development agreement with land owner on area sharing basis in which our Company has economic interest of 75% of area sharing. | Ashiana Dwarka (Jodhpur, Rajasthan) | 183,520 | - | - |
| Developed under joint development agreement with land owner on revenue sharing basis in which our Company has economic interest of 74.5% of revenue sharing. | Ashiana Anantara (Jamshedpur, Jharkhand) | 466,280 | - | - |
| Partnership with Megha Colonizers – Rangoli Division, economic interest of 50% of profit share in partnership | Rangoli Gardens (Jaipur, Rajasthan) | 895,180 | - | 70,420 |
| Partnership with Ashiana Manglam Builders, economic interest of 50% of profit share in partnership | Gulmohar Gardens (Jaipur, Rajasthan) | 733,090 | - | - |
| Partnership with Vista Housing, economic interest of 50% of profit share in partnership | Vrinda Gardens (Jaipur, Rajasthan) | 457,200 | - | - |
| **Total** | | **5,844,270** | **382,164** | **152,163** |

We also develop certain of our projects through: (1) joint development agreements with land-owners, in terms of which we acquire the development rights to the underlying land; (2) joint ventures with third parties, with whom we establish SPVs for the purposes of developing projects through such joint venture SPVs (including partnerships); or (3) acquiring land ourselves and retaining the sole development rights in respect of any project. As of December 31, 2014, 1.09 million square feet of total Saleable Area of the Ongoing Projects, or 17.16%, of Ongoing Projects, are being developed through joint development agreements. See "– *Our Joint Development and Joint Venture Models*", below.

Our real estate projects have received recognition at a variety of real estate awards. Please see the table below for awards and recognitions granted to our Company:

| Sr. No. | Particulars | Year |
|---|---|---|

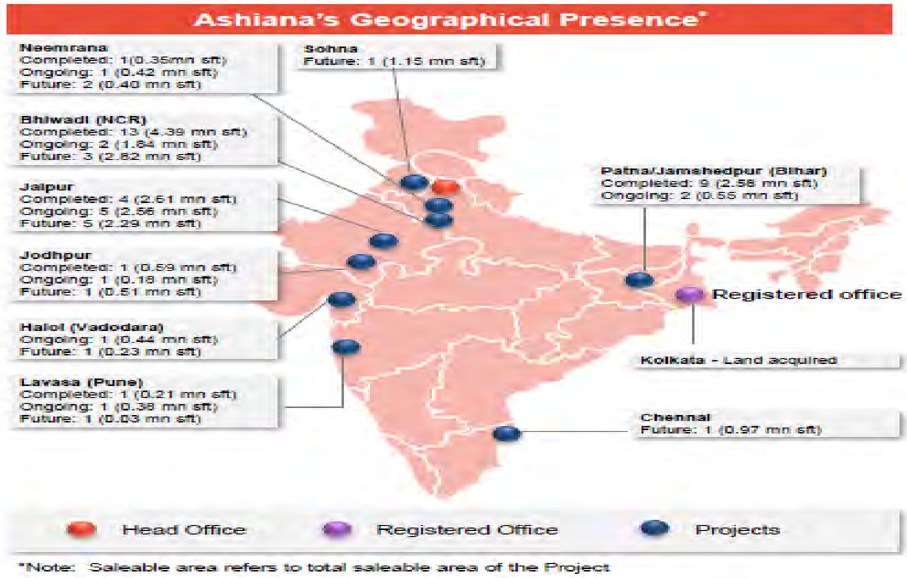
| Sr. No. | Particulars | Year |
|---|---|---|
| 1. | Our Company was felicitated as one of the most promising companies of the next decade by CNBC Awaaz | 2015 |
| 2. | Realty Excellence Award -2014 for contribution in field of management of senior living project | 2014 |
| 3. | Our Company's marketing head received award of most talented marketing professional (real estate) by Lokmat | 2014 |
| 4. | 'Best Investor Communication' practice in the Emerging Corporates category | 2014 |
| 5. | Realty Giant of North India award | 2014 |
| 6. | Received Bhamashah award for contribution made in the field of education by the Government of Rajasthan | 2014 and 2013 |
| 7. | Think Media Award for outstanding corporate social responsibility work in real estate sector | 2014 |
| 8. | "Best Theme Based Township Non-Metros" for Utsav Bhiwadi, from CREDAI Real Estate Awards | 2012 |
| 9. | Received BMA - Siegwerk award for corporate social responsibility | 2012 |
| 10. | Awarded as India's best residential project in north - Ashiana Aangan by Zee-Business RICS Awards | 2011 |
| 11. | Awarded as India's best residential project in east - Ashiana Woodlands by Zee-Business RICS Awards | 2011 |
| 12. | Forbes' rates Ashiana among Asia's 200 best under a billion dollar companies twice in a row | 2011 and 2010 |

Further we undertake certain activities in connection with our corporate social responsibilities such as adopting schools around our project sites to help improve the infrastructure of such schools, skill training, women empowerment, outside development, cleaning drives around our project sites and donating rickshaws to needy individuals. We have received honours from the Bharat Vikas Parishad, Rajasthan for activities in connection with our corporate social responsibility activities. Further, we have received the 'Bhamasha Award' for contribution made in the field of education by the Government of Rajasthan and the 'Think Media Award' for outstanding corporate social responsibility work in the real estate sector.

Our total consolidated revenue for the year ended March 31, 2014 and 2013 was ₹ 1,227.97 million and ₹ 1,614.90 million, respectively, and our consolidated total revenue for the six month period ended September 30, 2014 was ₹ 457.16 million.

For the periods ended March 31, 2012, 2013 and 2014 and for the nine month period ending December 31, 2014 we had sold an aggregate of 1,298, 1,346, 1,673 and 1,165 units, respectively within our residential projects aggregating to 1.78 million square feet, 1.87 million square feet, 2.21 million square feet and 1.46 million square feet, respectively, of Saleable Area.

The following map illustrates our geographic presence in cities across India:




The key milestones of our Company are set out below:

| Year | Milestone |
|---|---|
| 1986 | Incorporation of Ashiana Housing & Finance (India) Limited |
| 1992 | Shifted head office to Delhi. |
| 1993 | Listed on BSE |
| 1997 | Ashiana Maintenance Services Limited became subsidiary of our Company |
| 1998 | Started Neemrana operations |
| 2006 | Started Jaipur operations |
| 2007 | Started Jodhpur operations. Completed Senior Living homes in Utsav, Bhiwadi |
| 2008 | Started operations in Lavasa |
| 2011 | Listed on NSE |
| 2013 | Completed strategic branding exercise |
| 2014 | Acquired land in Sohna (Gurgaon) |
| | Started Halol operations |
| | Acquiring land in Chennai |

**Significant Factors Affecting our Business, Financial Condition and Results of Operations**

We outline below a number of factors which have had important effects on our results of operations and which we expect will continue to impact our financial performance in the future.

***General economic, income and demographic conditions in India and elsewhere***

We are an integrated real estate development company involved in all activities associated with real estate development, including, identification and acquisition of land, planning, designing, execution and marketing of our projects. As such, our financial performance depends upon changes in the general economic condition, growth in GDP, growth in manufacturing and industrial sector, rate of urbanisation, demographic changes, changes in disposable incomes and the real estate sector in India. As investments related to urban development are driven by increases in employment and disposable income, any slowdown or perceived slowdown in the Indian economy or GDP, or in specific sectors of the Indian economy, could adversely impact our business and financial performance. Other economic conditions affecting our business include market pricing trends that affect sales and room rental rates of our projects, demographic changes, interest rates, changes in levels of disposable income and the availability of consumer financing. We expect these trends to continue and expect our results of operations to continue to vary from period to period in accordance with fluctuations in the Indian economy and the Indian real estate market.

***Variation in prices of projects due to market conditions***

The demand for real estate is significantly affected by factors such as the existing supply of developed properties in the market as well as the absorption rate for lease assets, which factors are in turn influenced by changes in government policies, regulatory framework, environmental approvals, litigation, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. Real estate projects take a substantial amount of time to develop, and we could incur losses if we purchase land at high prices and we have to sell or lease our developed projects during weaker economic periods. Further, the market for property can be relatively illiquid, and there may be high transaction costs as well as insufficient demand for property at the expected lease payment or sale price, as the case may be, which may limit our ability to respond promptly to market events.

***Government regulations and policies including regulations and policies concerning the environment, real estate taxes and duties***

We require certain statutory and regulatory permits, licenses and approvals to execute our projects and operate our business and applications need to be made at appropriate stages for such approvals. Further in respect of the projects undertaken, we require to obtain sanction from local municipalities, local bodies, pollution control boards as well as clearance from airport authorities. Regulations applicable to our operations include environmental regulations, standards regarding transfer of property, registration, the ratio of built-up area to land area, land usage, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply and environmental suitability. Real estate laws in India are complex and their interpretation or application by regulatory authorities may vary in different states. Although we believe that our projects are in material compliance with applicable laws and regulations, regulatory authorities in certain states may allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings.

***Escalation in land prices due to increase in competition, applicable regulations and shortage of developable land***

We are in the business of real estate development. Increase in demand for land for development of residential and commercial properties leads to increase in competition in acquiring land in various geographies where we operate or propose to operate which along with the unavailability or shortage of suitable parcels of land for development leads to escalation in land prices.

***Competition***

We face competition from real estate companies in India bidding for new and similar property development projects, from corporations with large land reserves, as well as government bodies such as urban development authorities that are in the business of real estate development. The aforementioned competition may impact our ability to attract potential future residents and thereby adversely affect our ability to develop and sell or lease our projects.

**Significant Accounting Policies**

**a) PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements include the financial statements of Ashiana Housing Limited and its subsidiaries. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard AS – 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India ('ICAI') and notified pursuant to the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements are prepared on the following basis:

a) Consolidated Financial Statements normally include consolidated Balance Sheet, consolidated statement of Profit & Loss, consolidated statement of Cash flows and notes to the Consolidated Financial Statements and explanatory statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.

b) The Consolidated Financial Statements include the financial statements of the Company and all its subsidiaries.

c) The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating inter-group balances /

transactions and resulting elimination of unreleased profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent Company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated.

d) Minority interest represents the amount of equity attributable to minority shareholders / partners at the date on which investment in a subsidiary is made and its share of movements in equity since that date.

e) Notes to the Consolidated Financial Statements represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

f) Partnership firms, being Company's jointly controlled entities, consolidation whereof is not feasible in view of nature of their capital structure and respective partnership arrangements, are not considered in these Financial Statements.

**b) BASIS OF ACCOUNTING**

The Financial Statements are prepared on accrual basis under historical cost convention in accordance with the generally accepted accounting principles in India, the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 and the relevant applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current, wherever applicable, as per the normal operating cycle of the Company as set out in the Schedule VI to the Companies Act, 1956.

**c) USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ exemptions 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 recognized in the period in which the results are known/ materialized.

**d) FIXED ASSETS**

i) Fixed assets are valued at cost less depreciation/amortization.
ii) Capital work-in-progress is valued at cost.
iii) Intangible Assets under Development is valued at cost.

Cost includes purchase price and all other attributable cost of bringing the assets to working condition for intended use.

**e) DEPRECIATION AND AMORTIZATION**

1 Depreciation on tangible asset is provided on straight line basis in accordance with the provision of Schedule XIV of Companies Act, 1956 except that depreciation on the Fixed Assets held by Subsidiary Partnership Firms and Limited Liability Partnership firms, is provided at the rate as specified in Income Tax Rules, 1962.

2 Intangible assets are amortized over the period of useful life of the assets as estimated by the management except that depreciation on intangible assets held by Subsidiary Partnership Firms and Limited Liability Partnership firms, is provided at the rate as specified as Income Tax Rule, 1962.

**f) INVENTORIES**

Inventories are valued as follows:

| | |
|---|---|
| Construction Material and Other consumables | At Lower of cost and net realizable value. However, materials and other items are not written down below cost if the constructed units/food, beverages etc. in which they are used are expected to be sold at or above cost. Cost is determined on FIFO basis. |
| Leasehold and Freehold 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 labor and project specific direct and indirect expenses and pro-rata unrealized cost from development of EWS/LIG units, except in subsidiary partnership firms wherein all expenses are included in such cost. |

**g) REAL ESTATE PROJECTS AND SALES**

a) Revenue in respect of the projects undertaken on or after 1 April, 2011 and the projects undertaken between 1 April, 2006 and 31 March, 2011, which did not reach the level of completion as considered appropriate by the management within 31 March, 2011, as discussed in (b) below, 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 or (iii) on physical possession for fit-out, as considered appropriate by the management based on circumstantial status of the project.

b) Revenue in respect of projects undertaken between1 April, 2006 and 31 March, 2011, which did not reach the level of construction as considered appropriate by the management within 31 March, 2011 is recognized on the "Percentage of Completion Method" (POC) of accounting and represents value of units contracted to be sold to the extent of actual work done against total estimated cost of execution. The corresponding cumulative amount at the close of the year appears under 'Current Liabilities' as deduction from "Advance from customers".

c) The estimates of saleable area and Construction cost are reviewed periodically by the management and effect of any change in estimates is recognized in the period such changes are determined.

d) Selling Expenses related to specific projects/units are being charged to Profit and Loss account in the year in which sale thereof is offered for taxation.

e) Revenue from rooms, food and beverages, club and other allied services, is recognized upon rendering of the services.

f) Project maintenance charges and Other income is accounted for on accrual basis except where the receipt of income is uncertain.

g) Interest on delayed payments and other charges are accounted for on certainty of realization.

h) OTHER INCOME

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

**i) TAXES ON INCOME**

a) Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

b) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax Assets/Liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax in respect of differential income due to accounting of sales on percentage completion basis, being not determinate, is not recognized.

**j) INVESTMENTS**

a) Long term investments are carried at acquisition cost. Provision for diminution, if any, in the value of long term investments is made to recognize a decline, other than of a temporary nature.

b) 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.

c) Value of Intangible capital rights created in favor of the Company in the process of Real Estate activities, being not determinate, are not shown in the books of accounts.

**k) FOREIGN CURRENCY TRANSACTIONS**

Income and Expenditure in foreign currency is converted into rupee at the rate of exchange prevailing on the date of the transactions. All payables and receivables related to foreign currency transactions outstanding at the year end are translated at exchange rates prevailing at the year end. The resultant translation differences are recognized in the Profit & Loss Account.

**l) EMPLOYEE BENEFITS**

(a) Short term employee benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Such short term employee benefits are recognized at actual amounts due in the period in which the employee renders the related service.

(b) Post-employment benefits:

(i) Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

(ii) Defined Benefit Plans:

Provision for Gratuity and Leave Pay is determined on the actuarial valuation carried out at the balance sheet date in accordance with the provisions of Accounting Standard 15. Actuarial gains and losses are recognized in the Statement of Profit & Loss.

**m) IMPAIRMENT OF ASSETS**

Impairment Loss in the value of assets, as specified in Accounting Standard -28 is recognized whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.

**n) PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized when the Company has a present obligation as a result of past results and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

**Changes in Accounting Policies**

There have been no changes in the accounting policies of the Company in the FY 2014, FY 2013 and FY 2012 and H12015 other than mentioned below:

In FY 2013, the following changes in the accounting policies have been adopted:

- The project specific indirect expenses are being included in the cost in valuing unsold completed construction and work in Progress.
- Selling expenses related to specific projects are being charged to profit & loss account in the year in which sale thereof is offered for taxation.

Earlier both the expenses charged to profit & loss account in the year in which they were incurred.

Due to the aforesaid changes, profit for the year is higher by ₹ 71.80 million.

In H12015, the following changes in the accounting policies have been adopted:
- Selling expenses in the form of employee cost of sales personnel directly attributable to specific projects are being charged to profit & loss account in the year in which sale thereof is offered for taxation. Earlier the expenses charged to profit & loss account in the year in which they were incurred.
- Pursuant to the Companies Act, 2013, depreciation on tangible assets is calculated on straight line method using the rates arrived at based on residual lives estimated by the management, or those prescribed under Schedule II to the Companies Act, 2013.

Due to the aforesaid change, profit in H12015 is lower by ₹ 6.79 million.

**Results of Operations**

The following table sets forth certain data from our statement of profit and loss, in absolute terms and as a percentage of our total revenues, on a consolidated basis:

| | For the year ended March 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | 2013 | | 2012 | |
| | (₹ in million) | % of Total Revenue | (₹ in million ) | % of Total Revenue | (₹ in million ) | % of Total Revenue |
| **Income** | | | | | | |
| Revenue from Operations | 864.34 | 70.39 | 1,344.01 | 83.26 | 2,354.12 | 94.55 |
| Income From Partnership | 242.18 | 19.72 | 142.54 | 8.83 | 79.09 | 3.18 |
| Other Income | 121.45 | 9.89 | 127.64 | 7.91 | 56.56 | 2.27 |
| **Total Revenue** | **1,227.97** | 100.00 | **1,614.19** | 100.00 | **2,489.77** | 100.00 |
| **Expenses** | | | | | | |
| Direct Costs | | | | | | |
| i. Purchases | 716.31 | 58.33 | 617.87 | 38.28 | 547.81 | 22.00 |
| ii. Project Expenses | 1,384.60 | 112.76 | 868.65 | 53.81 | 158.79 | 6.38 |
| iii. Ongoing Project Expenses Adjusted | 1.77 | 0.14 | 26.47 | 1.64 | 931.14 | 37.40 |
| iv. Changes in Inventories | (1714.96) | (139.66) | (780.89) | (48.38) | (466.36) | (18.73) |
| v. Hotel & Club Expenses | 67.35 | 5.48 | 57.88 | 3.59 | 56.97 | 2.29 |
| vi. Real Estate Support Operations Expenses | 79.82 | 6.50 | 61.81 | 3.83 | 46.62 | 1.87 |
| Total Direct Costs | 534.90 | 43.56 | 851.79 | 52.77 | 1,274.97 | 51.21 |
| Employee Benefits | 185.60 | 15.11 | 144.21 | 8.93 | 149.79 | 6.02 |

| | For the year ended March 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | 2013 | | 2012 | |
| | (₹ in million) | % of Total Revenue | (₹ in million ) | % of Total Revenue | (₹ in million ) | % of Total Revenue |
| Expenses | | | | | | |
| Advertising and Business Promotion | 46.60 | 3.79 | 38.80 | 2.40 | 69.17 | 2.78 |
| Finance Cost | 18.33 | 1.49 | 30.30 | 1.88 | 28.62 | 1.15 |
| Other Expenses | 142.02 | 11.57 | 102.68 | 6.36 | 99.10 | 3.98 |
| Depreciation and Amortization Expenses | 30.46 | 2.48 | 26.00 | 1.61 | 23.98 | 0.96 |
| **Total Expenses** | **957.91** | **78.01** | **1,193.80** | **73.96** | **1,645.63** | **66.10** |
| **Profit Before Extraordinary Items and Tax** | **270.06** | **21.99** | **420.39** | **26.04** | **844.14** | **33.90** |
| Extraordinary Item | 10.92 | 0.89 | - | | - | |
| **Profit Before Tax** | **259.14** | **21.10** | **420.39** | **26.04** | **844.14** | **33.90** |
| **Tax Expenses** | | | | | | |
| i. Current Tax | 42.75 | 3.48 | 83.36 | 5.16 | 149.92 | 6.02 |
| ii. Deferred Tax | (2.25) | (0.18) | 5.56 | 0.34 | (1.33) | (0.05) |
| **Total Tax Expenses** | **40.50** | 3.30 | **88.92** | 5.51 | **148.60** | 5.97 |
| Less: Minority Interests | 0.0058 | - | (0.0014) | - | (0.0018) | - |
| **Profit for the Year after Tax** | 218.64 | 17.80 | 331.47 | 20.53 | 695.54 | 27.94 |
| **Earnings per share** | 2.35 *(on shares of nominal value of Rs. 2 each)* | | 3.56 *(on shares of nominal value of Rs. 2 each)* | | 7.47 *(on shares of nominal value of Rs. 2 each)* | |
| **Basic and Diluted** | 2.35 | | 3.56 | | 7.47 | |

***Principal Components of our Statement of Profit and Loss Account:***

**Revenues**

*Revenue from operations*

We derive substantial portion of our total revenues from our revenue from operations, which consists of (i) revenues from real estate projects including revenues from completed projects, ongoing projects (this is transitional and applicable to few projects which were ongoing as on March 31, 2011) and sale of land, (ii) revenues from real estate support operations and (iii) revenues from hotels and clubs. The largest component of our revenue from operations is from revenues from real estate projects, which accounted for 91.11%, 82.65% and 65.88% of our revenue from operations in FY2012, FY2013 and FY2014.

*Income from partnership*

We also derive income from sharing of profits through joint ventures entered with partners for development of one or more projects and project management fees.

***Other Income***

In addition to our revenue from operations and income from partnership, we derive other income, which consists of (i) interest income; (ii) income from investments which includes interests on bonds/ debentures, rent, dividend and profit on sale of investments; (iii) fees and subscription; (iv) rent and hire charges; and (v) miscellaneous income.

**Expenses**

Our expenses consist of the following:

(i) Direct cost which includes (a) purchases of land/ development rights and flats/ bungalows/ shops; (b) project expenses which includes consumption of construction materials, wages, PRW charges, other direct construction expenses, expenses in connection with power and fuel, architect's fees and consultancy charges, employee benefit expenses, rent, insurance, repair and maintenance to machineries, buildings and others, financial costs and miscellaneous project expenses; (c) ongoing project expenses adjusted; (d) changes in inventories; (e) hotel and club expenses which includes consumables, personnel, management fee, power and fuel and other running expenses; and (f) real estate support operation expenses which includes consumption of maintenance materials, work charges, power and fuel expenses, repair and maintenance to machineries, security charges and other maintenance expenses;

(ii) Employee benefit expenses which includes salary and allowance, directors remuneration, contribution to provident and other funds and staff and labour welfare expenses;

(iii) Expenses incurred in connection with advertisement and business promotion;

(iv) Finance costs which includes interest on term loans and others and loan processing and other financial charges;

(v) Other expenses which includes rent, rates and taxes, insurance, travelling and conveyance, legal and professional expenses, commission, repairs and maintenance to machineries, buildings and others, directors fees, miscellaneous expenses; and

(vi) Depreciation and amortization expenses.

**Taxation**

Taxes comprise current and deferred taxes. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence, in respect of deferred tax assets/ liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax in respect of differential income due to accounting of sales on percentage completion basis, being not determinate, is not recognized.

**Results of Operations for FY2014 compared to FY2013**

***Revenue***

Our total revenue decreased by 23.93% from ₹ 1,614.19 million in FY2013 to ₹ 1,227.97 million in FY2014. This decrease was due to 35.69% decrease in revenue from operations from ₹ 1,344.01 million in FY2013 to ₹ 864.34 million in FY2014 which was on account of decrease in revenue from completed projects in real estate by 41.76% from ₹ 990.01 million in FY2013 to ₹ 576.60 million in FY2014. The decrease in revenue from completed projects was on account of revenues recognized in FY 2014 was primarily from sale of phases in two projects namely Ashiana Amarbagh located in Jodhpur and Ashiana Brahmananda located in Jamshedpur aggregating to total Saleable Area of 0.24 million square feet of projects (or phases thereof) sold in FY 2014 and the revenues recognized in FY 2013 was primarily from sale of phases in four projects namely Ashiana Amarbagh located in Jodhpur, Ashiana Brahmananda located in Jamshedpur, Ashiana Utsav Senior Living located in Lavasa and Ashiana Aangan located in Bhiwadi aggregating to total Saleable Area of 1.24 million square feet of projects (or phases thereof) sold in FY 2013.

The revenues from ongoing projects decreased from ₹ 45.76 million in FY2013 to ₹ (7.19) million in FY2014. The decline in revenues from ongoing projects in FY 2014 was on account of change in method of accounting. With effect from April 1, 2011, we have changed the accounting policy of treating revenues from ongoing projects. As on date, all our ongoing projects follow contract based completion method of accounting in which revenues are recognized only when the possession is offered in any project in comparison to construction linked accounting which was followed prior to April 1, 2011 in which the revenues were recognized with percentage of the completion of the phase. We had negative revenues in FY 2014 on account of reversal of sale, which was booked in the previous year.

Additionally, in FY 2013, revenues from real estate operations also included sale of land amounting to ₹ 75.00 million.

Also, there was decrease in revenues from other income by 4.85% from ₹ 127.64 million in FY2013 to ₹ 121.45 million in FY2014.

However, there was increase in revenue from real estate support operations and revenues from hotel and club. The revenues from real estate support operations increased by 30.55% from ₹ 117.65 million in FY2013 to ₹ 153.59 million in FY2014. This increase was due to increase in handing over of sold units by our Company to Ashiana Maintenance Services Limited. The revenues from rooms, restaurant, banquets and other services increased by 22.26% from ₹ 115.60 million in FY2013 to ₹ 141.33 million in FY2014. This increase was primarily on account of increase in occupancy of rooms from 66% in FY2013 to 76% in FY 2014.

Also, in FY 2014, our income from partnership increased by 69.90% from ₹ 142.54 million in FY2013 to ₹ 242.18 million in FY2014 which was on account of increase in our revenues from sharing of profit in a project under partnership from ₹ 73.87 million in FY2013 to ₹ 151.45 million in FY2014 and increase in the project management fees from ₹ 68.67 million in FY2013 to ₹ 90.73 million in FY2014. The increase in sharing of profits in FY 2014 was primarily due to increase in profits from our Partnership Firms, Megha Colonizers (₹ 52.04 million in FY2013 to ₹ 112.70 million in FY2014) and Ashiana Manglam Developers (₹ 2.26 million in FY2013 to ₹ 3.78 million in FY2014). The reason for increase in project management fees was due to area constructed in Project Rangoli Gardens was higher in FY2014 in comparison to FY2013 (0.80 million square feet in FY2014 to 0.69 million square feet in FY2013).

***Expenses***

Our total expenses decreased by 19.76%, from ₹ 1,193.80 million in FY2013 to ₹ 957.91 million in FY2014. This decrease was primarily due to 37.20% decrease in direct costs from ₹ 851.79 million in FY2013 to ₹ 534.90 million in FY2014. The decrease in direct costs in FY 2014 corresponds to lower revenues from operations recognized in FY 2014 in comparison to revenues from operations recognized in FY 2013.

The decrease in expenses was also due to decrease in our finance costs by 39.50% from ₹ 30.30 million in FY2013 to ₹ 18.33 million in FY2014. This was primarily on account of reduction in interest expenses, owing to repayment of certain loans, by 41.03% from ₹ 27.69 million in FY2013 to ₹ 16.33 million in FY2014 and decline in other financial charges by 99.43% from ₹ 0.84 million in FY2013 to ₹ 0.005 million in FY2014.

As a percentage of our total revenue, our total expenses increased to 78.01% in FY2014 as compared to 73.96% in FY2013.

*Employee benefit expenses*

There has been increase in employee benefits expenses by 28.70% from ₹ 144.21 million in FY2013 to ₹ 185.60 million in FY2014. The increase in employee benefit expenses was primarily due to increase in salaries and allowances, remuneration payable to directors and contribution to provident and other funds. The increase in employee benefit expenses is on account of increase in number of employees and annual increments in salaries and allowances of the employees.

*Advertisement and business promotion*

The expenses incurred in connection with advertisement and business promotion increased by 20.10% from ₹ 38.80 million in FY2013 to ₹ 46.60 million in FY2014.

*Other expenses*

There has been increase in other expenses by 38.31% from ₹ 102.68 million in FY2013 to ₹ 142.02 million in FY2014. The increase in other expenses was primarily due to increase in expenses incurred in connection with rent, rates and taxes, insurance, travelling and conveyance, repairs and maintenance to machineries, buildings and others, and miscellaneous expenses.

***Profit before tax***

Primarily as a result of the foregoing, our profit before tax decreased by 38.36% from ₹ 420.39 million in FY2013 to ₹ 259.14 million in FY2014.

***Tax expenses***

Our tax expenses decreased by 54.45% from ₹ 88.92 million in FY2013 to ₹ 40.50 million in FY2014 primarily on account of decrease in income tax by 48.01% from ₹ 81.28 million in FY2013 to ₹ 42.26 million in FY2014.

***Profit for the period***

As a result of the foregoing, our profit for the year decreased by 34.04% from ₹ 331.47 million in FY2013 to ₹ 218.64 million in FY2014.

**FY2013 compared to FY2012**

***Revenue***

Our total revenue decreased by 35.17% from ₹ 2,489.77 million in FY2012 to ₹ 1,614.19 million in FY2013. This decrease was due to 42.91% decrease in revenue from operations from ₹ 2,354.12 million in FY2012 to ₹ 1,344.01 million in FY2013 which was on account of decrease in revenue from ongoing projects by 97.34% from ₹ 1,723.12 million in FY2012 to ₹ 45.76 million in FY2013. The decline in revenues from Ongoing Projects in FY 2013 was on account of change in the accounting policy of treating revenues from real estate projects from percentage completion method to contract completion method with effect from April 1, 2011. This change in accounting policy led to lower revenue being recognized under head Ongoing Project year on year. There was also decline in revenues from rooms, restaurant, banquets and other services by 2.83% from ₹ 118.97 million in FY2012 to ₹ 115.60 million in FY2013 which was on account of decline in occupancy of rooms from 72% in FY2012 to 66% in FY2013.

However, there was increase in revenues from completed projects by 134.79% from ₹ 421.65 million in FY2012 to ₹ 990.01 million in FY2013. The increase in revenues from completed projects was on account of revenues recognized in FY 2013 was primarily from sale of phases in four projects namely Ashiana Amarbagh located in Jodhpur, Ashiana Brahmananda located in Jamshedpur, Ashiana Utsav Senior Living located in Lavasa and Ashiana Aangan located in Bhiwadi aggregating to total Saleable Area of 1.24 million square feet of projects (or phases thereof) sold in FY 2013 and the revenues recognized in FY2012 was primarily from sale of phases in two projects namely Ashiana Amarbagh located in Jodhpur and Ashiana Aangan located in Bhiwadi aggregating to total Saleable Area of 0.46 million square feet of projects (or phases thereof) sold in FY 2012.

There were revenues from sale of land located at Gram Tanawra, Jodhpur amounting to ₹ 75 million. The revenues from real estate support operations increased by 30.17% from ₹ 90.38 million in FY2012 to ₹ 117.65 million in FY2013 due to increase in handing over of sold units by the Company to Ashiana Maintenance Services Limited.

However, in FY 2013, our income from partnership increased by 80.23% from ₹ 79.09 million in FY2012 to ₹ 142.54 million in FY2013 which was on account of increase in our revenues from sharing of profit in a project under partnership from ₹ 26.91 million in FY2012 to ₹ 73.87 million in FY2013 and increase in the project management fees from ₹ 52.18 million in FY2012 to ₹ 68.67 million in FY2013. The increase in sharing of profits in FY 2013 was due to increase in profit from our Partnership Firm, Megha Colonizers (Project- Rangoli Gardens) from ₹ 52.18 million in FY2012 to ₹ 68.67 million in FY2013. The reason for increase in project management fees was due to area constructed in Project Rangoli Gardens was higher in FY2013 in comparison to FY2012 (0.69 million square feet in FY2013 to 0.52 million square feet in FY2012).

Also, our other income increased by 125.68% from ₹ 56.56 million in FY2012 to ₹ 127.64 million in FY2013 primarily on account of increase in interest income from ₹ 30.10 million in FY2012 to ₹ 54.47 million in FY2013, profit on sale of investments from ₹ 10.72 million in FY2012 to ₹ 46.74 million in FY2013 and increase in miscellaneous income from ₹ 7.33 million in FY2012 to ₹ 12.98 million in FY2013.

### *Expenses*

Our total expenses decreased by 27.46%, from ₹ 1,645.63 million in FY2012 to ₹ 1,193.80 million in FY2013. This decrease was primarily due to 33.19% decrease in direct costs from ₹ 1,274.97 million in FY2012 to ₹ 851.79 million in FY2013 which was on account of decrease in expenses adjusted for ongoing projects from ₹ 931.14 million in FY2012 to ₹ 26.47 million in FY2013. The decrease in expenses corresponds to lower revenues recognized in FY 2013 in comparison to revenues recognized in FY 2012 due to change in accounting policies.

The decrease in expenses was also due to marginal decrease in employee benefit expenses which decreased by 3.72% from ₹ 149.79 million in FY2012 to ₹ 144.21 million in FY2013 due to change in accounting policy in FY2013. Additionally there was decrease in expenses incurred in connection with advertisement and business promotion by 43.90% from ₹ 69.17 million in FY2012 to ₹ 38.80 million in FY2013. The decrease in indirect expenses as mentioned above was on account of change in accounting policies in FY2013. Earlier indirect expenses which were project specific were treated under the head profit & loss account in the year in which such expenses were incurred. However, after the change in accounting policy, the treatement of indirect expenses under the head profit & loss account is made in the year in which revenues from sales thereof is treated under the head taxation.

As a percentage of our total revenue, our total expenses increased to 73.96% in FY2013 as compared to 66.10% in FY2012.

*Finance Costs*

Our finance costs increased by 5.87% from ₹ 28.62 million in FY2012 to ₹ 30.30 million in FY2013 on account due to increase in interest expenses on term loans by 17.86% from ₹ 23.49 million in FY2012 to ₹ 27.69 million in FY2013 and increase in other interest expenses by 76.27% from ₹ 1 million in FY2012 to ₹ 1.77 million in FY2013.

*Other expenses*

There has been increase in other expenses by 3.62% from ₹ 99.10 million in FY2012 to ₹ 102.68 million in FY2013.

### *Profit before tax*

Primarily as a result of the foregoing, our profit before tax decreased by 50.20% from ₹ 844.14 million in FY2012 to ₹ 420.39 million in FY2013.

### *Tax expenses*

Our tax expenses decreased by 40.16% from ₹ 148.60 million in FY2012 to ₹ 88.92 million in FY2013 primarily on account of decrease in income tax by 45.65% from ₹ 149.56 million in FY2012 to ₹ 81.28 million in FY2013.

### *Profit for the period*

As a result of the foregoing, our profit for the year decreased by 52.34% from ₹ 695.54 million in FY2012 to ₹ 331.47 million in FY2013.

## Assets and Liabilities

### Assets

We had fixed assets (comprising tangible assets, intangible assets, intangible assets under development and capital work-in-progress) of ₹ 570.26 million, ₹ 458.63 million and ₹ 439.93 million as at the end of FY2014, FY2013 and FY2012, respectively. Our tangible assets mainly comprise buildings, plant and machineries, furniture and fixtures, electrical installations, equipments and facilities, computers and vehicles. Our intangible assets comprise trademark and logo, goodwill on consolidation and software.

We had non-current investments (comprising non-current investments in immovable properties, in capital of partnership firms, in equity shares and government securities) of ₹ (232.50) million, ₹ 165.34 million and ₹ 380.91 million as at the end of FY2014, FY2013 and FY2012, respectively. Our non-current investments in immovable properties comprises retail space at village centre, Bhiwadi; building at W-177, Greater Kailash, New Delhi; land at RIICO Industrial Area, Bhiwadi, Rajasthan; building at Ashiana Plaza, Patna; roof rights in Ashiana trade centre, Jamshedpur; Bageecha office, Bhiwadi; flats at Utsav, Bhiwadi; shops in Ashiana Trade Centre in Jamshedpur and 21 nos single room flats in Rangoli-II at Bhiwadi. We had non-current investments in capital of partnership firms such as Ashiana Mangalam Developers, Ashiana Green Wood Developers, Megha Colonizers- Rangoli Division and Ashiana Mangalam Builders. We had overdrawn funds from Partnerhip Firm, namely Megha Colonizers- Rangoli Division till the time of recognition of revenues leading to negative value in the non-current investment in the said Partnership Firm. We also had non-current investments in paid up equity shares of IFGL Refractories Limited, Elite Leasings Limited and Adityapur Toll Bridge Company Limited and in government securities.

We had current investments (comprising investments in mutual funds and in bonds/ debentures) of ₹ 565.69 million, ₹ 382.99 million and ₹ 532.20 million as at the end of FY2014, FY2013 and FY2012, respectively.

We had inventories amounting to ₹ 3,779.93 million, ₹ 1,992.31 million and ₹ 1,239.57 million as at the end of FY2014, FY2013 and FY2012, respectively. Our inventory mainly consists of land inventory which includes projects launched and others and unsold completed constructions, work in progress, construction material and other consumables. Inventories are valued by accumulating the cost which includes direct materials, labor, and project specific direct and indirect expenses except in subsidiary partnership firms wherein all expenses are included in such cost.

We had trade receivables amounting to ₹ 95.69 million, ₹ 122.16 million and ₹ 54.94million as at the end of FY2014, FY2013 and FY2012, respectively.

We had cash and cash equivalents amounting to ₹ 572.31 million, ₹ 576.37 million and ₹ 435.42 million as at the end of FY2014, FY2013 and FY2012, respectively. For details in relation to our liquidity and cash flows, please see "- Liquidity and Capital Resources" on page 79 of this Placement Document.

We had short term loans and advances amounting to ₹ 775.93 million, ₹ 421.72 million and ₹ 211.56 million as at the end of FY2014, FY2013 and FY2012, respectively. Our short term loans and advances primarily comprises advance/ deposit against land/ development rights on projects launched and others, advance against purchase of EWS/ LIG units, advances recoverable in cash or in kind or for value to be received, loan to others, unaccrued selling expenses, taxation advances and refundable and deposits.

**Liabilities**

We had current liabilities amounting to ₹ 2,955.75 million, ₹ 1,102.56 million and ₹ 597.09 million as at the end of FY2014, FY2013 and FY2012, respectively. Our current liabilities comprise short term borrowings, advances from customers, trade payables, other current liabilities and short term provisions.

Our advances received from customers comprise majority of our current liabilities amounting to ₹ 4,338.76 million, ₹ 2,630.05 million, ₹ 836.73 million and ₹ 225.73 million as at the end of six month period ending September 30, 2014, FY2014, FY2013 and FY2012, respectively. The incremental advances received from customers in FY 2014 were primarily from the projects, namely, Ashiana Town Beta (₹ 888 million), Ashiana Anantara (₹ 466 million) and Ashiana Aangan Neemrana (₹ 446 million).

We had non-current liabilities amounting to ₹ 357.98 million, ₹ 350.05 million and ₹ 299.07 million as at the end of FY2014, FY2013 and FY2012, respectively. The non-current liabilities comprise long term borrowings, deferred tax liabilities, other long term liabilities and long term provisions. The long term borrowing includes term loans and vehicles loans. The term loans are in the nature of corporate loans availed from Axis Bank Limited and vehicles loans from HDFC Bank Limited and Tata Capital Limited as at FY2014. Our deferred tax liabilities comprise tax liabilities on fiscal allowance of fixed assets, our other long term liabilities comprise security deposit from Treehouse members, lease rent deposit and deposit from customers and our long term provisions comprise provisions for employee benefits.

**Liquidity and Capital Resources**

As of March 31, 2014, we had cash and cash equivalents of ₹ 572.31 million. Cash and cash equivalents primarily consist of cash on hand and balances with scheduled banks. We had current investments (comprising investments in mutual funds and in bonds/ debentures) of ₹ 565.69 million, ₹ 382.99 million and ₹ 532.20 million as at the end of FY2014, FY2013 and FY2012, respectively. Our primary liquidity requirements have been to finance our working capital for our housing projects. Historically, we have financed our projects through (i) customer advances; (ii) internal accruals; and (iii) debt financing through bank loans.

***Net Cash Flows***

The following table sets forth certain data from our cash flow statement:

| Cash Flow Date | For the year ended March 31, | | |
|---|---|---|---|
| | **2014 (₹ in million)** | **2013 (₹ in million)** | **2012 (₹ in million)** |
| Net cash flow from operating activities | (231.90) | (219.75) | 14.35 |
| Net cash flow from investing activities | 305.28 | 492.39 | (146.74) |
| Net cash flow from financing activities | (77.44) | (131.70) | 166.78 |
| **Net increase/(decrease) in cash and cash equivalents** | (4.06) | 140.95 | 34.38 |
| Cash and cash equivalents at beginning of the year | 576.37 | 435.42 | 401.04 |
| **Cash and cash equivalents at the end of the year** | **572.31** | **576.37** | **435.42** |

***Cash Flows (Used in)/ Generated from Operating Activities***

Our net cash flows used in operating activities consists of net profit before tax and extraordinary items, as adjusted for (i) depreciation, (ii) depreciation charged to project expenses, (iii) interest income (other than from customers), (iv) income from investments, (v) provision for diminution in value of investments, (vi) interest paid, (vii) preliminary expenses written off, (viii) investment written off, (ix) minority interest, (x) provision for employee benefits, and (xi) (profit)/loss on sale of fixed assets, resulting in operating profit before working capital changes as adjusted for (i) trade and other receivables, (ii) inventories, and (iii) trade payables along with direct taxes paid/ adjusted and extraordinary items.

Net cash used in operating activities amounted to ₹ 231.90 million in FY2014. This amount consisted of net profit before tax and extraordinary items amounting to ₹ 270.06 million, as adjusted for cash flows used in interest income, income from investments and minority interest amounting to ₹ 241.03 million in aggregate along with adjustments from cash flows generated from depreciation, depreciation charged to project expenses, provision for diminution in value of investments, interest paid, preliminary expenses written off, provision for employee benefits, and (profit)/loss on sale of fixed assets resulting in operating profit before working capital changes amounting to ₹ 94.47 million. The total cash used in operations after adjustments made for trade and other receivables, inventories and trade payables and advances from customers to the operating profit amounted to ₹ 141.60 million and the amount paid on direct taxes and extraordinary items were ₹ 79.38 million and ₹ 10.92 million, respectively.

Net cash used in operating activities amounted to ₹ 219.75 million in FY2013. This amount consisted of net profit before tax and extraordinary items amounting to ₹ 420.39 million, as adjusted for cash flows used in interest income, income from investments and provision for diminution in value of investments amounting to ₹ 173.66 million in aggregate along with adjustments from cash flows generated from depreciation, depreciation charged to project expenses, interest paid, preliminary expenses written off, investment written off, minority interest, provision for employee benefits, and (profit)/loss on sale of fixed assets resulting in operating profit before working capital changes amounting to ₹ 309.53 million. The total cash used in operations after adjustments made for trade and other receivables, inventories and trade payables and advances from customers to the operating profit amounted to ₹ 102.04 million and the amount paid on direct taxes amounted to ₹ 117.71 million.

Net cash generated from operating activities amounted to ₹ 14.35 million in FY2012. This amount consisted of net profit before tax and extraordinary items amounting to ₹ 844.14 million, as adjusted for cash flows used in interest income and income from investments amounting to ₹ 63.37 million in aggregate along with adjustments from cash flows generated from depreciation, depreciation charged to project expenses, provision for diminution in value of investments, interest paid, preliminary expenses written off, minority interest, provision for employee benefits, and (profit)/loss on sale of fixed assets resulting in operating profit before working capital changes amounting to ₹ 836.11 million. The total cash generated from operations after adjustments made for trade and other receivables, inventories and trade payables and advances from customers to the operating profit amounted to ₹ 234.21 million and the amount paid on direct taxes amounted to ₹ 219.87 million.

*Cash (Used in)/ Generated from Investing Activities*

Net cash generated from investing activities amounted to ₹ 305.28 million in FY2014. This amount consisted of cash generated from sale of fixed assets amounting to ₹ 6.30 million, net change in investments amounting to ₹ 409.04 million, interest income amounting to ₹ 32.73 million and other income from investments amounting to ₹ 9.75 million as set off by cash used in purchase of fixed assets amounting to ₹ 152.53 million.

Net cash generated from investing activities amounted to ₹ 492.39 million in FY2013. This amount consisted of cash generated from sale of fixed assets amounting to ₹ 0.31 million, net decrease in investments amounting to ₹ 486.28 million, interest income amounting to ₹ 45.79 million and other income from investments amounting to ₹ 6.35 million as set off by cash used in purchase of fixed assets amounting to ₹ 46.33 million.

Net cash used in investing activities amounted to ₹ 146.74 million in FY2012. This amount consisted of cash used in purchase of fixed assets amounting to ₹ 49.38 million and net increase in investments amounting to ₹ 126.12 million as set off by cash generated from sale of fixed assets amounting to ₹ 3.01 million, interest income amounting to ₹ 20.24 million and other income from investments amounting to ₹ 5.50 million.

*Net Cash (Used in)/ Generated from Financing Activities*

Net cash flow used in financing activities amounted to ₹ 77.44 million in FY2014. This amount consisted of proceeds from long term and other borrowings amounting to ₹ 5.60 million as set off by payment of interest amounting to ₹ 18.33 million, payment of dividend amounting to ₹ 47.50 million and change in minority interest amounting to ₹ 17.21 million.

Net cash flow used in financing activities amounted to ₹ 131.70 million in FY2013. This amount consisted of cash used in long term and other borrowings amounting to ₹ 40.23 million, payment of interest amounting to ₹ 30.30 million, payment of dividend amounting to ₹ 46.86 million and change in minority interest amounting to ₹ 14.30 million.

Net cash flow generated from financing activities amounted to ₹ 166.78 million in FY2012. This amount consisted proceeds from long term and other borrowings amounting to ₹ 231.58 million and change in minority interest amounting to ₹ 0.25 million, as set off by dividend paid and interest paid amounting to ₹ 65.06 million in aggregate.

**Interest Coverage Ratio**

Set forth below is the information in respect of our interest coverage for FY2014, FY2013 and FY2012 on a consolidated basis:

***(₹ in million)***

| | FY 2014 | FY 2013 | FY 2012 |
|---|---|---|---|
| Profit after tax | 218.63 | 331.47 | 695.55 |
| Depreciation | 30.46 | 26.00 | 23.98 |
| Provisions and Contingencies | 12.51 | 5.12 | 0.29 |
| Finance Cost | 18.33 | 30.30 | 28.62 |
| **Total** | **279.93** | **392.89** | **748.44** |
| **Interest Coverage Ratio (%)** | **6.55%** | **7.71%** | **3.83%** |

**Capital Expenditures**

***Historical capital expenditures***

We have invested, in aggregate, ₹ 570.26 million, ₹ 458.63 million and ₹ 439.93 million on capital expenditure in FY2014, FY2013, and FY2012, respectively.

| | For the year ended March 31, | | |
|---|---|---|---|
| | **2014** | **2013** | **2012** |
| | **(₹ in million)** | | |
| **Fixed assets** | | | |
| Tangible assets | 544.46 | 442.26 | 435.51 |

| | | | |
|---|---|---|---|
| Intangible assets | 12.98 | 15.10 | 4.42 |
| Intangible assets under development | - | 1.27 | - |
| Capital work in progress | 12.82 | - | - |
| **Total** | **570.26** | **458.63** | **439.93** |

**Contractual obligations and commitments**

We do not have any significant contractual obligations and commitments as on March 31, 2014.

**Contingent Liabilities**

Our contingent liabilities not provide for as on March 31, 2014 are as under on a consolidated basis:

a) Claims not acknowledged as debts

| Sr. No. | | As on March 31, 2014 – Amount (₹ in million) |
|---|---|---|
| 1. | Cess – Sonari Land | 5.43 |
| 2. | Service Tax | 9.60 |
| 3. | Bank Guarantee | 137.50 |
| 4. | Entry Tax | 0.94 |
| 5. | Income Tax | 5.16 |

b) Contested claim of the Government of Rajasthan for refund of State Capital Subsidy including interest ₹ 5.58 million against which the Company has deposited ₹ 5.58 million under protest.
c) Contested claim of Secretary, UIT, Bhiwadi for payment of completion certificate charges amounting to ₹ 1.25 million against which the Company has deposited ₹ 1.25 million under protest.
d) Contested claim of a customer pursuant to the order of the District Consumer Forum ₹ 1 million against which the Company has deposited ₹ 0.27 million under protest.
e) Contested claim of Employee State Insurance Corporation ₹ 0.43 million against which the Company has deposited ₹ 0.11 million under protest.
f) Contested demand of Entry Tax ₹ 0.94 million, against which the Company has deposited ₹ 0.20 million under protest.

**Off Balance Sheet Arrangements**

We do not have any off balance sheet liabilities that are not reflected in our financial statements.

**Related Party Transactions**

We have entered into transactions with a number of related parties. For details of the related party transactions, please see section “Financial Statements” on page 172 of this Placement Document and the annual reports of the Company for FY 2014, FY 2013 and FY 2012 as available on the website of the Company.

**Risk Management**

We are, during the normal course of business, exposed to various types of market risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk, among others. Our risk management strategy aims to minimize the adverse effects of financial risk on our financial performance.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Almost all of our indebtedness is on floating interest rate basis, and hence we are exposed to changes in interest rates.

*Credit Risk*

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

*Liquidity Risk*

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. We manage liquidity risk by monitoring forecast and actual cash flows continuously and keeping sufficient cash and cash equivalents.

*Foreign Exchange Risk*

Foreign exchange risk is the risk that the fair value of a contract or financial instrument or our revenues or expenses will fluctuate because of changes in foreign exchange rates.

**Material Developments**

In the opinion of our board of directors, other than as described in this Placement Document, there has not arisen, since the date of the last Financial Statements included in this Placement Document, any circumstances that materially and adversely affect the profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

Except as stated elsewhere in this Placement Document, there are no subsequent developments after September 30, 2014, that we believe are expected to have material impact on our reserves, profits, earnings per share, book value, share capital, the value of our Equity Shares, our business and financial condition.

The table below is derived from the extract of the Company's unaudited interim condensed consolidated financial results for six months period ended September 30, 2014, compiled by the Company in the manner and format required by the Listing Agreements with the Stock Exchanges where the shares of the Company are listed which is accompanied with the auditor's limited review report for the 6 months ended September 30, 2014 and provided elsewhere in the document.

**Derived from Unaudited Interim Condensed Consolidated Financial Results for the six months period ended September 30, 2014**

| | **April 2014 to September 2014** | | **April 2013 to September 2013** | |
|---|---|---|---|---|
| | **(₹ in million)** | **% of Total Revenue** | **(₹ in million )** | **% of Total Revenue** |
| **Income** | | | | |
| Revenue from Operations | 179.38 | 39.24 | 679.05 | 80.66 |
| Income From Partnership | 198.05 | 43.32 | 99.55 | 11.82 |
| Other Income | 79.74 | 17.44 | 63.30 | 7.52 |
| **Total Revenue** | **457.16** | **100.00** | **841.90** | **100.00** |
| **Expenses** | | | | |
| Direct Costs | | | | |
| vii. Purchases | 198.06 | 43.32 | 203.29 | 24.15 |
| viii. Project Expenses | 1,132.37 | 247.70 | 521.04 | 61.89 |
| ix. Ongoing Project Expenses Adjusted | - | | 14.98 | 1.78 |
| x. Changes in Inventories | (1,311.13) | 286.80 | (385.26) | (45.76) |
| xi. Hotel & Club Expenses | 27.71 | 6.06 | 32.37 | 3.84 |
| xii. Real Estate | 57.28 | 12.53 | 38.90 | 4.62 |

| | April 2014 to September 2014 | | April 2013 to September 2013 | |
|---|---|---|---|---|
| | (₹ in million) | % of Total Revenue | (₹ in million ) | % of Total Revenue |
| Support Operations Expenses | | | | |
| Total Direct Costs | 104.29 | 22.81 | 425.33 | 50.52 |
| Employee Benefits Expenses | 103.44 | 22.63 | 90.03 | 10.69 |
| Advertising and Business Promotion | 20.10 | 4.40 | 21.62 | 2.57 |
| Finance Cost | 9.02 | 1.97 | 9.51 | 1.13 |
| Other Expenses | 70.43 | 15.41 | 60.45 | 7.18 |
| Depreciation and Amortization Expenses | 40.82 | 8.93 | 14.56 | 1.73 |
| **Total Expenses** | **348.10** | **76.14** | **621.50** | **73.82** |
| **Profit Before Extraordinary Items and Tax** | **109.06** | **23.86** | **220.40** | **26.18** |
| **Profit Before Tax** | | | | |
| **Tax Expenses** | | | | |
| iii. Current Tax | 5.57 | 1.22 | 47.50 | 5.64 |
| iv. Deferred Tax | (13.08) | (2.86) | - | - |
| **Total Tax Expenses** | | | | |
| Less: Minority Interests | 0.08 | 0.02 | - | - |
| **Profit for the Year after Tax** | 116.49 | 25.48 | 172.90 | 20.54 |
| **Earnings per share (on shares of face value of Rs. 2 each)** | 1.25 | | 1.86 | |
| **Basic and Diluted** | | | | |

**H12015 compared to H12014**

***Revenue***

Our total revenue decreased by 45.70% from ₹ 841.90 million in H12014 to ₹ 457.16 million in H12015. This decrease was due to 73.58% decrease in revenue from operations from ₹ 679.05 million in H12014 to ₹ 179.38 million in H12015 which was on account of decrease in revenue from ongoing projects by 100% from ₹ 31.11 million in H12014 to no revenues from ongoing projects in H12015, decrease in revenue from completed projects by 98.30% from ₹ 507.04 million in H12014 to ₹ 8.62 million in H12015 and decrease in revenue from room, restaurant, banquets and other services by 24.05% from ₹ 65.91 million in H12014 to ₹ 50.06 million in H12015. The decrease in revenue from our ongoing projects was on account of change in method of accounting. With effect from April 1, 2011, we have changed the accounting policy of treating revenues from ongoing projects. As on date, all our ongoing projects follow contract based completion method of accounting in which revenues are recognized only when the possession is offered in any project in comparison to construction linked accounting which was followed prior to April 1, 2011 in which the revenues were recognized with percentage of the completion of the phase. This led to lower revenue being recognized under head Ongoing Project year on year. In absence of any major project delivered in H1FY2015 no significant revenues were treated under the head Completed Projects. The decline in revenues from rooms, restaurant, banquets and other services were on account of decline in occupancy of rooms from 70% in H1FY2014 to 51% in H1FY2015.

However, we recorded revenues from sale of land of ₹ 20 million in H12015. The revenues is from sale of land located at Neemrana. There was also increase in revenues from real estate support operations from ₹ 74.99 million in H12014 to ₹ 100.70 million in H12015. The increase in revenues from real estate support operations was on account of handing over of sold units by the Company to Ashiana Maintenance Services Limited.

However, in H12015, our income from partnership increased by 98.95% from ₹ 99.55 million in H12014 to ₹ 198.05 million in H12015 which was on account of increase in our revenues from sharing of profit in a project under partnership from ₹ 59.27 million in H12014 to ₹ 172.06 million in H12015. The increase in sharing of profits in H12015 was due to increase in profit from our Partnership Firm, Megha Colonizers (Project- Rangoli Gardens) from ₹ 42.10 million in H12014 to ₹ 160.91 million in H12015. The reason for decrease in project management fees was due to area constructed in Project Rangoli Gardens was lower in H12015 in comparison to H12014 (0.26 million square feet in H12015 to 0.40 million square feet in H12014).

Also, our other income marginally increased by 25.97% from ₹ 63.30 million in H12014 to ₹ 79.74 million in H12015 primarily on account of increase in interest income from ₹ 26.41 million in H12014 to ₹ 28.48 million in H12015, increase in provision for dimunition in value of investment written back from nil in H12014 to ₹ 4.85 million in H12015 and increase in income from investment from ₹ 31.08 million in H12014 to ₹ 39.89 million in H12015.

***Expenses***

Our total expenses decreased by 43.99%, from ₹ 621.50 million in H12014 to ₹ 348.10 million in H12015. This decrease was primarily due to 75.48% decrease in direct costs from ₹ 425.33 million in H12014 to ₹ 104.29 million in H12015. The decrease in expenses corresponds to lower revenues recognized in H12014 in comparison to revenues recognized in H12015 due to change in accounting policies.

The decrease in expenses was also due to marginal decrease in finance costs. This was primarily on account of reduction in interest expenses, owing to repayment of certain loans, by 5.15% from ₹ 9.51 million in H12014 to ₹ 9.02 million in H12015 and decrease in expenses incurred in connection with advertisement and business promotion by 7.03% from ₹ 21.62 million in H12014 to ₹ 20.10 million in H12015.

As a percentage of our total revenue, our total expenses increased to 73.84% in H12014 as compared to 76.14% in H12015.

*Employee benefit expense*

Our employee benefit expense increased by 14.90% from ₹ 90.03 million in H12014 to ₹ 103.44 million in H12015 on account of increase in employee benefit expenses is on account of increase in number of employees and annual increments.

*Other expenses*

There has been increase in other expenses by 16.51% from ₹ 60.45 million in H12014 to ₹ 70.43 million in H12015. The increase in other expenses was primarily due to increase in expenses incurred in connection with rent and miscellaneous expenses.

***Profit before tax***

Primarily as a result of the foregoing, our profit before tax decreased by 50.27% from ₹ 220.40 million in H12014 to ₹ 109.60 million in H12015.

***Tax expenses***

Our tax expenses decreased by 115.81% from ₹ 47.50 million in H12014 to ₹ (7.51) million in H12015 primarily on account of reversal of deferred tax liability on depreciation, as per Companies Act 2013.

***Profit for the period***

As a result of the foregoing, our profit for the year decreased by 32.63% from ₹ 172.90 million in H12014 to ₹ 116.49 million in H12015.

## INDUSTRY

*The information in this section is derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.*

### The Indian Economy

### Overview of the Indian Economy

The Indian economy is third largest economy in the world on the basis of gross domestic product ("**GDP**") calculated on purchasing power parity basis. (*Source: World Bank, International Comparison Program database*)

For 2013, India's GDP per capita on a purchasing power parity basis was approximately US$ 5,449.82. (*Source: International Monetary Fund, World Economic Outlook Database, October 2014*). The GDP growth rates, in terms of percentage, for certain developed and developing economies for each of the calendar years 2012, 2013 and 2014 are set out below:

| **Countries** *(in percentage)* | **2012** | **2013** | **2014 (est.)** |
|---|---|---|---|
| China | 7.7 | 7.7 | 7.4 |
| **India** | **4.7** | **5.0** | **5.6** |
| Russia | 2.5 | 1.9 | 1.4 |
| Brazil | 1.0 | 2.5 | 0.3 |
| South Africa | 2.5 | 1.9 | 1.4 |
| United States | 2.3 | 2.2 | 2.2 |
| Japan | 1.5 | 1.5 | 0.9 |
| United Kingdom | 0.3 | 1.7 | 3.2 |

(*Source: International Monetary Fund, World Economic Outlook Database, October 2014*)

Economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and served to accelerate the country's growth, which averaged under 7% per year from 1997 to 2011.

In late 2012, the Indian Government announced additional reforms and deficit reduction measures, including allowing higher levels of foreign participation in direct investment in the economy. Growth in 2013 fell to a decade low, as India's economic leaders struggled to improve the country's wide fiscal and current account deficits. However, investors' perceptions of India improved in early 2014, due to a reduction of the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the rupee. (*Source: https://www.cia.gov The Central Intelligence Agency, "The World Factbook"*)

In terms of overall growth GDP at factor cost at constant (2004-05) prices in the year 2013-14 is estimated at ₹ 5,741,791 crores showing a growth rate of 4.7% over the first revised estimates of GDP for the year 2012-13 of ₹ 5,482,111 crores.

Also, the Indian GDP per capita based on purchasing power parity has grown from 4,544 in FY 2010 to 5,412 in FY

2013. *(Source: World Bank, International Comparison Program database)*

The following table illustrates India's GDP growth at factor cost at constant (2004-05) prices between Financial Year 2012 and Financial Year 2014:

**Provisional Estimates of GDP at Factor Cost by Economic Activity (At 2004-05 prices)**

**(₹ in crores)**

| Industry | 2011-12(2nd RE) | 2012-13 (1st RE) | 2013-14 (PE) | Percentage change over previous year | |
|---|---|---|---|---|---|
| | | | | 2012-13 | 2013-14 |
| 1. Agriculture, Forestry & Fishing | 753,832 | 764,510 | 800,548 | 1.4 | 4.7 |
| 2. Mining & Quarrying | 110,725 | 108,328 | 106,838 | -2.2 | -1.4 |
| 3. Manufacturing | 854,098 | 863,876 | 857,705 | 1.1 | -0.7 |
| 4. Electricity, Gas & Water Supply | 100,646 | 102,922 | 109,018 | 2.3 | 5.9 |
| 5. Construction | 415,188 | 419,795 | 426,664 | 1.1 | 1.6 |
| 6. Trade, Hotels, Transport and Communication | 1,402,261 | 1,473,353 | 1,517,826 | 5.1 | 3.0 |
| 7. **Financing, Insurance, Real Estate & Business Services** | **945,534** | **1,048,748** | **1,183,714** | **10.9** | **12.9** |
| 8. Community, Social & Personal Services | 665,246 | 700,579 | 739,477 | 5.3 | 5.6 |
| 9. GDP at factor cost | **5,247,530** | **5,482,111** | **5,741,791** | **4.5** | **4.7** |

(*Source: Ministry of Statistics and Programme Implementation, http://mospi.nic.in/Mospi_New/upload/nad_pr_30may14.pdf*)

The median GDP growth forecast is estimated at 5.5% for 2014–2015, with a minimum and maximum range of 5.0% and 6.0% respectively. The industrial sector is projected to witness an uptick, with a median growth forecast of 3.3% in 2014–2015. *(Source: FICCI "Economic Outlook Survey," March 2014)*

With consumer price index ("**CPI**") inflation easing from its recent peak of 11.2 per cent in November 2013, the near-term outlook for inflation has improved and the target of 8 per cent for January 2015 appears more within reach than at the time of the first bi-monthly monetary policy statement in April. Latest readings on sensitive components of food prices suggest that they may have peaked after monsoon related increases. The softening of international commodity prices, particularly crude oil, metals and chemicals, is feeding through into an abating of key input prices domestically. Wages, though still sticky, are decelerating, facilitating smaller increases in minimum support prices than in the past. Also, the stability in the exchange rate since January 2014 is entrenching the disinflation. Furthermore, the effects of past monetary policy tightening are operating through the slack in various segments of the economy to bring down inflation excluding food and fuel. Nevertheless, there are upside risks to inflation from the skewed spatial and temporal distribution of the monsoon and from geo-political tensions which could jeopardise the near- term outlook if they materialise. *(Source: RBI- Monetary Policy Report – September 2014)*

Further, pursuant to press release dated January 15, 2015 issued by RBI, it was decided by RBI to:

- reduce the policy repo rate under the LAF by 25 basis points from 8.0 per cent to 7.75 per cent with immediate effect;
- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of NDTL;
- continue to provide liquidity under overnight repos at 0.25 per cent of bank-wise NDTL at the LAF repo rate and liquidity under 7-day and 14-day term repos of up to 0.75 per cent of NDTL of the banking system through auctions; and

- continue with daily variable rate repos and reverse repos to smooth liquidity.

**Assessment of the global economy**

Since the fourth bi-monthly monetary policy statement of September 2014, the global economy has slowed, though the recent sharp fall in crude prices will have a net positive impact on global growth. The recovery in the United States is broadening on the back of stronger domestic consumption, rising investment and industrial activity. In the Euro area, headwinds from recessionary forces continue to weaken industrial production and investment sentiment. In Japan, growth may be picking up again on the back of stronger exports, helped in part by further quantitative and qualitative easing that has led to a depreciation of the yen. In China, disappointing activity and still-low inflation have prompted rate cuts by the People's Bank of China. In other major emerging market economies ("**EMEs**"), downside risks to growth from elevated inflation, low commodity prices, deteriorating labour market conditions and stalling domestic demand have become accentuated.

Notwithstanding the cessation of asset purchases by the US Fed, financial markets have remained generally buoyant on abundant liquidity stemming from accommodative monetary policies in the advanced economies. The search for yield has driven global equity markets to new highs, with investors shunning gold and commodities. Capital flows to EMEs recovered from market turbulence in the first half of October 2014, although some discrimination on the basis of fundamentals is becoming discernible. *(Source: Fifth Bi-Monthly Monetary Policy Statement, 2014-15)*

**Assessment of the Indian Economy**

Domestic activity weakened in second quarter of 2014-15, and activity is likely to be muted in third quarter also because of a moderate kharif harvest. The deficiency in the north-east monsoon rainfall has constrained the pace of rabi sowing, except in the southern States. Despite reasonable levels of water storage in major reservoirs, the rabi crop is unlikely to compensate for the decline in kharif production earlier in the year and consequently, agricultural growth in 2014-15 is likely to be muted. This, along with a slowdown in rural wage growth, is weighing on rural consumption demand.

Despite the uptick in September, the growth of industrial production slumped to 1.1 per cent in second quarter of 2014-15 with negative momentum in September, unable to sustain the improvement recorded in the preceding quarter. The persisting contraction in the production of both capital goods and consumer goods in second quarter of 2014-15 reflected weak aggregate domestic demand. However, more recent readings of core sector activity, automobile sales and purchasing managers' indices suggest improvement in likely activity. Exports have buffered the slowdown in industrial activity in second quarter of 2014-15 but, going forward, require support from partner country growth.

The fiscal outlook should brighten because of the fall in crude prices, but weak tax revenue growth and the slow pace of disinvestment suggest some uncertainty about the likely achievement of fiscal targets, and the quality of eventual fiscal adjustment. The government, however, appears determined to stay on course.

Retail inflation, as measured by the CPI, has decelerated sharply since the fourth bi-monthly statement of September. This reflects, to some extent, transitory factors such as favourable base effects and the usual softening of fruits and vegetable prices that occurs at this time of the year. On the other hand, protein-rich items such as milk and pulses continue to experience upside pressures, reflecting structural mismatches in supply and demand. The absence of adequate administered price revisions in inputs like electricity has contributed to the easing of inflation in the fuel group.

In the non-food non-fuel category, inflation eased broadly in September. Further softening of international crude prices in October eased price pressures in transport and communication. However, upside pressures persist in respect of prices of clothing and bedding, housing and other miscellaneous services, resulting in non-food non-fuel inflation for October remaining flat at its level in the previous month, and above headline inflation. Survey-based inflationary expectations have been coming down with the fall in prices of commonly-bought items such as vegetables, but are still in the low double digits. Administered price corrections, as and when they are effected, weaker-than-anticipated agricultural production, and a possible rise in energy prices on the back of geo-political risks could alter the currently benign inflation outlook significantly. *(Source: Fifth Bi-Monthly Monetary Policy Statement, 2014-15)*

**Urbanisation in India**

In India out of the total population of 1,210.2 million as on March 1, 2011, about 377.1 million are in urban areas. The net addition of population in urban areas over the last decade is 91.0 million. The percentage of urban population to the total population of the country stands at 31.6%. There has been an increase 3.35 percentage points in the proportion of urban population in the country during 2001-2011. The provisional results of Census 2011 reveals that there is an increase of 2774 towns comprising 242 Statutory and 2532 Census towns over the decade. Growth rate of population in urban areas was 31.8%.

Further the number of million plus cities/urban agglomeration ("**UA**") has increased from 35 in Census 2001 to 53 in Census 2011. The new entrants are Srinagar UA (Jammu and Kashmir), Union Territory of Chandigarh UA, Jodhpurs UA and Kota (Rajas than), Ghaziabad UA (Uttar Pradesh), Ranchi UA (Jharkhand), Raipur UA and Durg-Bhilainagar UA (Chattisgarh), Gwalior UA (Madhya Pradesh), Vasai Virar and Aurangabad UA (Maharashtra), Kozhikode UA, Thrissur UA, Malappuram UA, Thiruvananthapuram UA, Kannur UA and Kollam UA (Kerala), and Tiruchirapalli US (Tamil Nadu). So while the States of Jammu and Kashmir and Chattisgarh now also have million plus city/UA, Kerala now has as many as 7 million plus cities/UA, a quantum jump from the situation in 2001 when just Kochi UA was a million plus city/UA. *(Source: http://moud.gov.in/urban_growth)*

The number of towns and cities has increased from 5161 in the year 2001 to 7935 in the year 2011, out of which number of towns and cities with population of above 1 million has increased from 35 with total population of 107.88 million in the year 2001 to 53 with total population of 160.70 million in the year 2011. *(Source: http://moud.gov.in/urbanmorphology)*

Increase of 91.1 million persons to urban population during 2001-2011 is not only the highest registered thus far, it is also higher than the increase of 90 million persons to rural population. The annual exponential growth rate of 2.76% registered during 2001-2011 has reversed the declining trend observed during 1981-91 and 1991-2001.That this rise in urban population growth rate has come during an era of sharp decline in the natural growth rate shows that the push to urban population has come in from other sources, i.e., rural to urban conversion and rural-urban migration. The number of metropolitan cities (+1million) has risen sharply, from 35 to 53 during 2001-2011.They now account for 42.6 percent of the total urban population. Likewise, class 1 cities (+100,000) now account for 70.2 percent of the country's urban population. In 2001, this percentage was 68percent. *(Source: India's Urban Demographic Transition – The 2011 Census Results (Provisional))*

Still, Less than a third of India's urban population is found in the middle tier of cities (0.5-4million population). Further development of industry clusters would help in growth of such cities and also increase the need of middle income housing.

**The Real Estate Sector in India**

The real estate sector in India mainly comprises the development of residential housing, commercial buildings, hotels, malls, shopping centres, retail outlets and the purchase and sale of land and development rights.

The real estate sector in India assumed greater prominence with the liberalisation of the economy, as the consequent increase in business opportunities and labour migration led to rising demand for commercial and housing space. Presently, the real estate and construction sectors play a crucial role in India's core infrastructure development. The growth of the real estate industry is interrelated to developments in other sectors such as banking, financial services industry, retail, hospitality and entertainment (hotels, resorts, cinema and theatres) industries, economic services (hospitals and schools) and information technology-enabled services (call centres). The real estate sector play an important role in the overall development of India's infrastructure.

Evolution of the Real Estate Sector in India

The real estate sector in India has evolved over the years, facilitated by various regulatory reforms. In the past, factors such as the absence of a centralised title registry providing title guarantee, lack of uniformity in local laws affecting real estate and their application, the unavailability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values led to inefficiencies in the sector. However, in recent years, the real estate sector in India has exhibited a trend towards greater organisation and transparency by various regulatory reforms.

The Indian real estate sector has traditionally been dominated by a number of regional players and non-institutional sources of funding. This has changed with growth in the sector and recent trends reflect consumer expectations of increased quality as India has become more closely integrated with the global economy.

The growth witnessed by the Indian real estate sector is mainly influenced by the high GDP growth of India, increased urbanisation, an expanding middle class as well as growth across various sectors such as IT/ITES, retail, consumer durables, automobiles, telecom, banking, insurance, tourism, hospitality and logistics.

**Delhi-Mumbai Industrial Corridor**

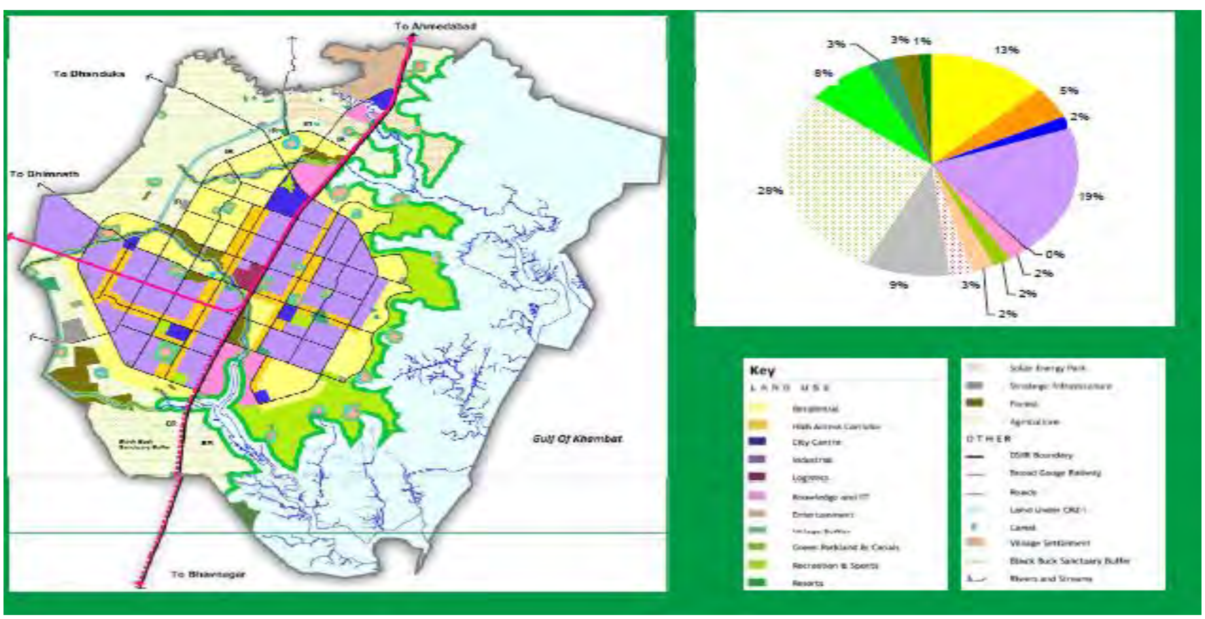
**Brief Background**

Government of India has announced the establishing the Dedicated Freight Corridor between Delhi and Mumbai, covering an overall length of 1483km and passing thrugh the States of U.P, NCR of Delhi, Haryana, Rajasthan, Gujarat and Maharashtra, with end terminals at Dadri in the National Capital Region of Delhi and Jawaharlal Nehru Port near Mumbai. This Dedicated Freight Corridor offers high-speed connectivity for High Axle Load Wagons (25 Tonne) of Double Stacked Container Trains supported by high power locomotives. The Delhi- Mumbai leg of the Golden Quadrilateral National Highway also runs almost parallel to the Freight Corridor.

The proposed high-speed connectivity between Delhi and Mumbai offers immense opportunities for development of an Industrial corridor along the alignment of the connecting infrastructure. A band of 150 km (Influence region) has been chosen on both the sides of the Freight corridor to be developed as the Delhi-Mumbai Industrial Corridor. The vision for DMIC is to create strong economic base in this band with globally competitive environment and state-of-the-art infrastructure to activate local commerce, enhance foreign investments and attain sustainable development. In addition to the influence region, DMIC would also include development of requisite feeder rail/road connectivity to hinterland/markets and select ports along the western coast. *(Source: http://www.ilfsindia.com/downloads/bus_rep/DMIC_brief.pdf)*

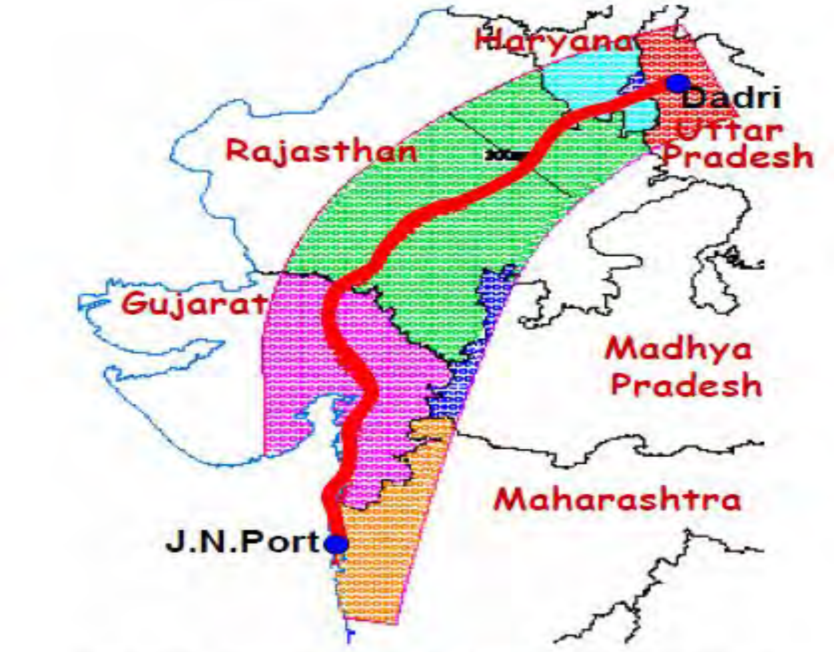
DMIC states contributes to approximately 43% to the country's GDP, contributes to more than half of India's industrial production and exports and accounts for approximately 44% of number of workers and number of factories across India, respecytively. The projected industrial compounded annual growth rate for DMIC region is 13% (2010-20). *(Source: Ministry of Statistics & Programme Implementation (Government of India), ASI, Labour Bureau)*

**Land use plan:**




Project influence area for DMIC comprises of a combined population of 178 million constituting approximately 17% of total population of the country. DMIC states contribute 50% of agricultural produce of principal crops of the country and 60% of overall exports from the country. Moreover, the foreign investment trends indicate that DMIC states cater to 52% of overall FDI equity investments into the country during January 2000-December 2006.

Project influence area comprises of ten major cities with over 1 Million population viz. Delhi, Greater Mumbai, Faridabad, Meerut, Jaipur, Ahmedabad, Surat, Vadodara, Pune and Nashik as well as six cities with a population of 0.5 to 1 million viz. Ghaziabad, Aligarh, Jodhpur, Ajmer, Bhavnagar and Bhiwandi. In terms of prominence of economic activity, DMIC region constitutes large industrial belts of the country such as Ghaziabad, Noida, Faridabad, Jaipur, Ahmedabad, Vadodara, Surat, Valsad, Vapi, Nashik, Thane and Pune besides Delhi and Mumbai, the Commercial Capital of the country; and mineral rich areas such as Nagaur, Pali, Jhunjhunu, Bhilwara, Chittaurgarh, Kota, Udaipur of Rajasthan and Mahesana, Amreli, Bhav Nagar and Bharuch of Gujarat. *(Source: Concept paper – Delhi- Mumbai Industrial Corridor, August 2007 of Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India)*



Project Influence Area of Delhi-Mumbai Industrial Corridor

**Smart Cities**

The Finance Minister announced a proposal to develop new "smart cities" to accommodate increasing migration from rural areas. Such "smart cities" are envisaged to consist of satellite towns of larger cities, and modernized existing mid-size cities. These smart cities are proposed to provide affordable housing to the middle class. Projects which commit at least 30% of the total project cost for low cost affordable housing, will be exempted from minimum built up area and capitalisation requirements. However, investment in such projects is proposed to be locked-in for a three year period.

In fact, 90% of the world's urban population growth will take place in developing countries, with India taking a significant share of that. Urban areas also contribute a higher share of the GDP. The share of the GDP from urban areas in India has been growing.

While the urban population is currently around 31% of the total population, it contributes over 60% of India's GDP. It is projected that urban India will contribute nearly 75% of the national GDP in the next 15 years. It is for this reason that cities are referred to as the "engines of economic growth" and ensuring that they function as efficient engines is critical to our economic development. This trend of urbanization that is seen in India over the last few decades will continue for some more time. The global experience is that a country's urbanization up-to a 30% level is relatively slow but the pace of urbanization speeds up thereafter, till it reaches about 60-65%. With an urban population of 31%, India is at a point of transition where the pace of urbanization will speed up. It is for this reason that we need to plan our urban areas well and cannot wait any longer to do so. The relatively low base allows us to plan our urbanization strategy in the right direction by taking advantage of the latest developments in technology especially in Information and Communication Technology. Moreover, it also offers us an opportunity an opportunity to create conducive environment for creation of many times more employment opportunities and economic activities while improving the quality of life substantially. It also allows an opportunity to learn from good practices and mistakes made elsewhere within the country as well as outside the country

Land in cities is at a premium and the existing floor area ratios does not permit development of high rises, which results in high cost of housing. To ensure availability of affordable housing for every citizen, the existing FARs and bye-laws needs immediate revision. This would also ensure that Transit Oriented Development is implemented along public transport corridors. This would have multiple benefits like financial viability of the transit system, reduction in use of personalized vehicles and cleaner environment etc. Government of India would assist all identified smart cities to develop City Development Plans based on Information and Communication Technology, Geographic Information Systems and Spatial Mapping.

# BUSINESS

## Overview

We are primarily involved in middle to upper-middle income residential housing projects in satellite cities and towns in India, around industrial hubs, predominantly along the Delhi-Mumbai industrial corridor being promoted by the Government of India. Our residential real estate development projects range from apartments to group housing projects. In addition, as part of our commercial real estate development, we develop limited retail and commercial properties, including the construction of hotels.

We were incorporated on June 25, 1986 under the Companies Act, 1956, as Ashiana Housing & Finance (India) Limited. Subsequently, the name of the Company was changed to its present name in the year 2007.

We are an integrated real estate development company involved in all activities associated with real estate development, including, identification and acquisition of land, planning, designing, construction and marketing of our projects and providing facilities management services including services such as identification of third parties lessees/buyers for our existing customers. We undertake our projects through our in-house team of professionals and by engaging architects and consultants. While designing and developing a project, we rely on a research based approach for layout planning, utilisation of area earmarked for development as per our plans approvals, unit size, amenities, interiors and sales and marketing strategy. Depending upon the market scenario, regulatory practice and consumer preferences, we plan our development mix and product design. We also regularly interact with our customers to receive direct feedback on the quality of our projects.

We believe that we have established a strong brand image, have a successful track record of execution and a diversified portfolio of real estate projects. As of December 31, 2014, we have completed 24 residential developments and 6 commercial developments, aggregating to 10.74 million square feet of Saleable Area. As of December 31, 2014, we had:

- 13 Ongoing Projects comprising 11 residential developments and 2 commercial developments, aggregating approximately 6.38 million square feet of Saleable Area; and
- 15 Future Projects comprising 13 residential developments and 2 commercial developments, aggregating approximately 8.40 million square feet of Saleable Area.

As of December, 2014, we had Land available for Future Development aggregating to 4.85 million square feet of saleable area. Our Land available for Future Development comprises lands located at Kolkata, Milakhpur (Bhiwadi) and ICD (Bhiwadi) in which we have obtained any right or interest, or have entered into agreements to sell/memorandum of understanding with respect to such rights or interest, as the case may be. Such lands do not form part of our Completed, Ongoing and Future Projects.

Our residential real estate business can be categorised into the following main segments:

- ***Comfort Homes***

  The comfort homes are designed for middle to upper middle income customer segment. Our Comfort Homes are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and power back-up. As at December 31, 2014, we sold 10,165 units of Comfort Homes aggregating to 13.44 million square feet of Saleable Area.

- ***Senior Living***

  The homes are specially designed keeping in mind the needs of seniors citizens. These apartments come with features such as anti-skid tiles, grab rails, big-sized switches and wall mounted night lamps. Other features include an emergency response system, doctor-on-call services and a 24 hour ambulance service. We believe that our project Ashiana Utsav was one of India's first senior living resorts at Bhiwadi. We also have senior living projects in Jaipur and Lavasa. As at December 31, 2014, we sold 1,186 units of Senior Living houses aggregating to 1.48 million square feet of Saleable Area.

A brief description of our ongoing projects in the various segments where we operate is as below:

| Economic Interest (%) | Ongoing Projects, Location | Type | | |
|---|---|---|---|---|
| | | Comfort Homes (Total Saleable Area of the Project in sq. ft.) | Senior Living (Total Saleable Area of the Project in sq. ft.)) | Commercial (Total Saleable Area of the Project in sq. ft.)) |
| 100% | Ashiana Surbhi (Bhiwadi, Rajasthan) | 280,080 | - | - |
| | Ashiana Aangan Neemrana (Neemrana, Rajasthan) | 420,000 | - | - |
| | Ashiana Town Beta (Bhiwadi, Rajasthan) | 1,562,680 | - | - |
| | Ashiana Umang (Jaipur, Rajasthan) | 401,280 | - | - |
| | Ashiana Marine Plaza (Jamshedpur, Jharkhand) | - | - | 81,743 |
| | Ashiana Utsav Senior Living (Phase 2 & 3) (Lavasa, Maharashtra) | - | 382,164 | - |
| Developed under joint development agreement with land owner on revenue sharing basis in which our Company has economic interest of 81% of revenue sharing. | Ashiana Navrang (Halol, Gujarat) | 444,960 | - | - |
| Developed under joint development agreement with land owner on area sharing basis in which our Company has economic interest of 75% of area sharing. | Ashiana Dwarka (Jodhpur, Rajasthan) | 183,520 | - | - |
| Developed under joint development agreement with land owner on revenue sharing basis in which our Company has economic interest of 74.5% of revenue sharing. | Ashiana Anantara (Jamshedpur, Jharkhand) | 466,280 | - | - |

| Economic Interest (%) | Ongoing Projects, Location | Type | | |
|---|---|---|---|---|
| | | Comfort Homes (Total Saleable Area of the Project in sq. ft.) | Senior Living (Total Saleable Area of the Project in sq. ft.)) | Commercial (Total Saleable Area of the Project in sq. ft.)) |
| Partnership with Megha Colonizers – Rangoli Division, economic interest of 50% of profit share in partnership | Rangoli Gardens (Jaipur, Rajasthan) | 895,180 | - | 70,420 |
| Partnership with Ashiana Manglam Builders, economic interest of 50% of profit share in partnership | Gulmohar Gardens (Jaipur, Rajasthan) | 733,090 | - | - |
| Partnership with Vista Housing, economic interest of 50% of profit share in partnership | Vrinda Gardens (Jaipur, Rajasthan) | 457,200 | - | - |
| **Total** | | **5,844,270** | **382,164** | **152,163** |

We also develop certain of our projects through: (1) joint development agreements with land-owners, in terms of which we acquire the development rights to the underlying land; (2) joint ventures with third parties, with whom we establish SPVs for the purposes of developing projects through such joint venture SPVs (including partnerships); or (3) acquiring land ourselves and retaining the sole development rights in respect of any project. As of December 31, 2014, 1.09 million square feet of total Saleable Area of the Ongoing Projects, or 17.16%, of Ongoing Projects, are being developed through joint development agreements. See "– *Our Joint Development and Joint Venture Models*", below.

Our real estate projects have received recognition at a variety of real estate awards. Please see the table below for awards and recognitions granted to our Company:

| Sr. No. | Particulars | Year |
|---|---|---|
| 1. | Our Company was felicitated as one of the most promising companies of the next decade by CNBC Awaaz | 2015 |
| 2. | Realty Excellence Award -2014 for contribution in field of management of senior living project | 2014 |
| 3. | Our Company's marketing head received award of most talented marketing professional (real estate) by Lokmat | 2014 |
| 4. | 'Best Investor Communication' practice in the Emerging Corporates category | 2014 |
| 5. | Realty Giant of North India award | 2014 |
| 6. | Received Bhamashah award for contribution made in the field of education by the Government of Rajasthan | 2014 and 2013 |
| 7. | Think Media Award for outstanding corporate social responsibility work in real estate sector | 2014 |
| 8. | "Best Theme Based Township Non-Metros" for Utsav Bhiwadi, from CREDAI Real Estate Awards | 2012 |
| 9. | Received BMA - Siegwerk award for corporate social responsibility | 2012 |
| 10. | Awarded as India's best residential project in north - Ashiana Aangan by Zee-Business RICS Awards | 2011 |

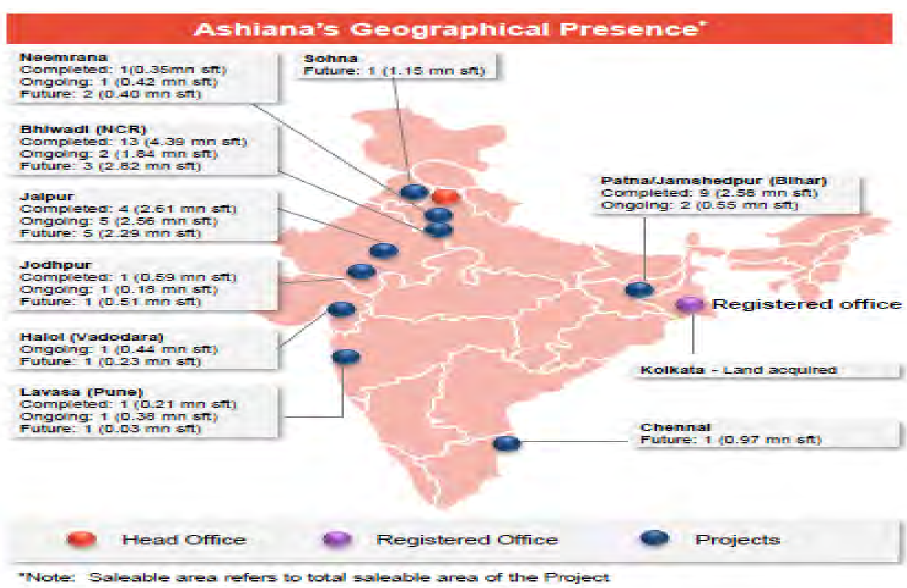
| Sr. No. | Particulars | Year |
|---|---|---|
| 11. | Awarded as India's best residential project in east - Ashiana Woodlands by Zee-Business RICS Awards | 2011 |
| 12. | Forbes' rates Ashiana among Asia's 200 best under a billion dollar companies twice in a row | 2011 and 2010 |

Further we undertake certain activities in connection with our corporate social responsibilities such as adopting schools around our project sites to help improve the infrastructure of such schools, skill training, women empowerment, outside development, cleaning drives around our project sites and donating rickshaws to needy individuals. We have received honours from the Bharat Vikas Parishad, Rajasthan for activities in connection with our corporate social responsibility activities. Further, we have received the 'Bhamasha Award' for contribution made in the field of education by the Government of Rajasthan and the 'Think Media Award' for outstanding corporate social responsibility work in the real estate sector.

Our total consolidated revenue for the year ended March 31, 2014 and 2013 was ₹ 1,227.97 million and ₹ 1,614.90 million, respectively, and our consolidated total revenue for the six month period ended September 30, 2014 was ₹ 457.16 million.

For the periods ended March 31, 2012, 2013 and 2014 and for the nine month period ending December 31, 2014 we had sold an aggregate of 1,298, 1,346, 1,673 and 1,165 units, respectively within our residential projects aggregating to 1.78 million square feet, 1.87 million square feet, 2.21 million square feet and 1.46 million square feet, respectively, of Saleable Area.

The following map illustrates our geographic presence in cities across India:




The key milestones of our Company are set out below:

| Year | Milestone |
|---|---|
| 1986 | Incorporation of Ashiana Housing & Finance (India) Limited |
| 1992 | Shifted head office to Delhi. |
| 1993 | Listed on BSE |
| 1997 | Ashiana Maintenance Services Limited became subsidiary of our Company |
| 1998 | Started Neemrana operations |
| 2006 | Started Jaipur operations |
| 2007 | Started Jodhpur operations. Completed Senior Living homes in Utsav, Bhiwadi |

| | |
|---|---|
| 2008 | Started operations in Lavasa |
| 2011 | Listed on NSE |
| 2013 | Completed strategic branding exercise |
| 2014 | Acquired land in Sohna (Gurgaon) |
| | Started Halol operations |
| | Acquiring land in Chennai |

**Our Strengths**

In particular, we believe that our competitive strengths are as follows:

***Our Company and Promoters' track record and established brand name***

We believe that our strong brand, reputation and track record of developing projects which emphasise on strong project execution, quality construction and customer centricity. All of these have enabled us to win various real estate awards, differentiated our developments from our competitors, established customer confidence, and enabled us to achieve improved prices in the markets where we sell our projects. In addition, we believe our developments have also enhanced the locational value of the areas that our developments are located in. Our established brand allows us to cross sell to our existing customer base and also enables us to market our products to prospective customers by way of referrals from our existing customers.

As of December 31, 2014, we and our Subsidiaries, joint ventures and Partnership Firms have collectively completed 29 real estate projects in India, with approximately 10.74 million square feet of Saleable Area. These developments, over the last 28 years, include a variety of real estate developments including comfort homes, senior living and commercial projects.

Our real estate projects have received recognition at a variety of real estate awards. For details, see "– *Overview*", above.

***Ability to identify and acquire suitable land parcels for development***

We believe one of our key strengths is our ability to identify suitable tracts of land in strategic locations and high growth industrial hubs in India, in particular, where we expect long term appreciation in the value of our projects which are focussed on the middle income customer segment. Land identification at reasonable pricing and strategic locations is an important factor for the success of our business. We undertake research for our projects prior to making any decisions to acquire, develop or sell our properties. Our in-house market research, business development and execution process teams are involved in gathering relevant market data, assessing the potential of a location after evaluating various trends applicable local and other laws, which we believe enables us to design and develop projects which differentiates us from our competitors, allows us to anticipate market trends and create long-term value appreciation for our projects. Our extensive experience has also enabled us to acquire land or development rights through development agreements and joint ventures.

***Emphasis on high quality projects, project management and on-time delivery***

We believe that the quality of our construction differentiates us from other real estate developers. We use construction methodology that allow us to save cost, time and improves the quality of our construction. We place a special emphasis on ensuring that our quality standards are adhered to at every stage of a project and for every product provided to a customer. Our work force is trained to ensure our quality standards are met and we maintain internal quality standard checks. To achieve high quality construction, we endeavour to use high-quality materials and fittings in the construction and furnishing of our properties.

We also believe that generally we have been successful in completing construction of our projects in a timely and cost efficient manner without compromising on quality due to our project management and delivery model. The conceptualisation, design and project management aspects of our project are centralised with our planning and project management team. This centralised team acts like a control-cum-coordination cell for all projects under execution by us. On the other hand, the delivery of our project which includes execution, project level costing and ensuring adherence to the delivery schedule, is decentralised at the project-manager level located at the project sites. Such a project management and delivery model enables us to scale up our operations by optimal utilization of resources available with us.

***Integrated business model***

We have an integrated business model comprising in-house construction, facilities management and direct sales and marketing functions, amongst other things.

We offer facilities management service to some of our projects. Our property management services teams are responsible for the provision of maintenance and management services such as safety and security, cleaning, general maintenance, civil and electrical maintenance, landscaping and gardening, swimming pool and health club maintenance and general facilities management, which includes the operation and maintenance of facilities such as back-up power generation, water supply, drainage pumping, janitorial services, parking management, pest control, fire detection and solid waste disposal and management. The number of units under our maintenance as at March 31, 2014 and December 31, 2014 was 6,778 and 7,551, respectively. This indicates our long term commitment to our Completed Projects. This in-turn helps us gain inputs, which can be incorporated in our Future Projects to improve quality and delivery. The key focus of our facilities management services is to maintain the quality of our projects after their completion. As of December 31, 2014, our property management services had a workforce of approximately 177 full-time employees who are assigned to specific developments that we maintain. We believe that having a dedicated property management and services team on site for each of the projects we maintain allows us to deliver a higher standard of service to our customers.

As part of sales and marketing strategy, we sell directly to customers through an experienced team of 75 dedicated in-house sales professionals. We maintain a detailed database of our existing customers for purposes of marketing new projects to them. We also achieve sales through referrals from our existing customers. We undertake regular interaction with our customers in the form of regular events, games, festivals and other group activities.

***Robust pipeline of projects in growing industrial hubs***

We believe that project selection and positioning are crucial to our success. Our business model includes residential and commercial projects across north India primarily in the states of Rajasthan and Haryana, and in Lavasa, Halol and Jamshedpur. Currently, in terms of Saleable Area, out of our portfolio of Ongoing Projects and Future Projects, more than 80% are located in north India. Additionally, of the total Ongoing Projects and Future Projects we have in our portfolio, 18 projects have been launched where sales of units have commenced. The remaining projects are expected to be launched tentatively within the next 2 years. We believe that this mix of Ongoing Projects along with a pipeline of Future Projects that are expected to be launched in the near future will provide us with steady cash flows.

***Experienced and qualified management team with strong human resource practices***

The overall responsibility of the management of our Company is divided between our Promoters to ensure focus and smooth functioning of our Company. We have a highly qualified and experienced management team with extensive experience in the real estate sector. All major verticals such as finance, human resources, sales, legal, facility management have separate heads who are persons with significant experience. In addition, we have a management team that built the reputation and image of the “Ashiana” brand which, we believe, strongly positions us to manage our future growth while maintaining our standards of design and execution quality. We believe that one of our key strengths is our Company’s organisational structure which promotes operational autonomy and efficiency across departments.

We place a strong emphasis on employee development and our key initiatives for the development of our employees include the following:

- Formulation and implementation of employee induction programmes;
- Exposure to various facets of our real estate business such as structural designing, finishing, estimation of project potential, billing and quality control;
- Organising technical programs and job related trainings;
- Building overall industry knowledge for our employees;
- Organising training related to personal grooming and behavioural ethics; and
- Programs aimed at grooming employees to take on further responsibilities.

We believe that our emphasis on employee development and our internal human resources initiatives for the development of our employees provides us with the skills to adapt to the future needs of our business.

***Financial strength***

We strive to maintain a conservative debt policy. As of September 30, 2014, we had a consolidated net debt of ₹ 426.48 million. By maintaining optimum land inventory, we have greater visibility of our cash flows and lesser capital is blocked which results in higher returns on net worth. As of September 30, 2014, our consolidated net worth was ₹ 2,941.86 million and we had cash or cash equivalents of ₹ 716.54 million. We would also look to reduce the operational cycle in order to churn capital faster, procure quicker returns and get better opportunities to venture into newer projects. Typically, we own land banks sufficient for the forthcoming period of five to seven years in order to reduce our operational cycles and maintain visibility on cash flows. We believe that we have the ability to leverage our balance sheet to take advantage of favourable business opportunities. We have also demonstrated a consistent track record of profitability. CARE vide letter dated January 2, 2015 revised the rating granted to the Company in connection with general creditworthiness of the Company from CARE BBB+ (Is) [Triple B Plus (Issuer Rating)] to CARE A- (Is) [A minus (Issuer Rating)]. Also, ICRA, in January, 2015, upgraded the long term rating to [ICRA]A- (pronounced as ICRA A minus) from [ICRA]BBB (pronounced as ICRA triple B) for ₹ 500 million term loan of the Company. The outlook on the long term rating is stable. The issuers with this rating are considered to offer adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk. We believe that our financial strength and strong project pipeline make us well positioned for changes in market conditions.

**Our Strategy**

The key elements of our business strategy are:

***Execution based model***

We intend to continue to follow our execution based model rather than the conventional accumulation of land bank model. Our land bank is typically sufficient only for projects to be launched over the next five to seven years. This allows for revenue visibility over the next few years, and also enables us to be relatively less leveraged and reduces the capital intensity of our business model. This ensures that we have negligible amount of debt financing and a leverage ratio that we believe is exceptionally low for our industry. We intend to focus on exploiting our current model to develop our Future Projects in order to improve the cash flows from our projects.

***Focus on acquiring land in growing industrial hubs and expand our geographical presence***

We intend to continue to focus on expanding our presence in growing industrial hubs with population in excess of one million, where the cost of acquiring land is comparatively cheaper. Our focus will continue to remain on identifying and acquiring high quality real estate assets in these locations in accordance with potential demand for residential real estate properties by consumers in such locations. This ensures that our land cost as a percentage of our total project cost is cheaper. Our aim is to keep our land cost low in terms of our overall project costs and maintain minimum benchmarks on gross profit margin and per square feet margins from a particular project. We would continue to seek to develop projects in upcoming locations where the cost of land is relatively lower than in already developed hubs.

Historically our real estate development activities have been focused in north and east India, where we believe we are one of the leading real estate developers in the segments where we market our projects, with established brand presence. Apart from Rajasthan, where approximately 78% of Saleable Area for our Ongoing Projects are located, we also have Ongoing Projects in Indian cities like Jamshedpur, Lavasa and Halol where we plan to increase our foothold in the coming years. We also propose to expand our presence in Sohna (Gurgaon), Chennai and Kolkata, where we expect growth in the near future.

***Continue to pursue our integration strategy***

We intend to integrate our business and operations by further developing our in-house construction management, direct sales and facility management services.

Ashiana Maintenance Services Limited, which houses our in-house facilities management division, was incorporated in 1996 and as of December 31, 2014 it had approximately 177 employees which deal with all aspects of facilities management for our projects, including safety and security, cleaning, maintenance, landscaping, renting, re-sales and general facilities management. The number of units under maintenance at the end of FY 2014 and as at December 31, 2014 was 6,778 and 7,551, respectively. We believe that having a dedicated in-house facilities management team differentiates us from our competitors, who traditionally outsource the facility management function or handover the constructed premises to resident associations for management, in that we are able to maintain stronger control over the quality and maintenance of our projects. We also obtain direct feedback from our customers that allow us to continuously understanding our customer's expectations and improving our products accordingly.

Through this integration, we hope to set more efficient budgets and better control the timing of completion and quality standards of our various projects, which we believe will help us to build and maintain relationships with our customers leading to a greater proportion of repeat business from such customers in the future. We also expect to achieve greater sales from referrals made by our existing customers by adopting this strategy.

***Maintain high standards of quality and focus on in-house construction***

We believe that we have developed, through our Promoters and Subsidiaries and Joint Ventures, a reputation for consistently developing projects known for quality and delivery in a timely manner. Further, we have developed end-to-end in-house construction capabilities, thereby circumventing the need for sub-contracting activities. We intend to continue to focus on quality project execution in order to maximise customer satisfaction. We also intend to continue to use technologically advanced tools and processes to ensure quality construction. We also intend to expand the scale of our operations while ensuring quality and efficiency in our operations. As part of our continuing strategy, we will continue to carry out our construction activities ourselves. This allows better cost / quality control and enhances our execution and flexibility in response to changing industry dynamics. It will, we believe, improve our execution timetable and will enable our management to focus on our core activity of real estate development. We also believe that this will improve the quality of construction in our developments and will allow us to embark on more complex and ambitious projects.

***Continued focus on senior living projects***

We are among the few developers who have entered into the 'senior living space' segment. We had entered into the specialized segment of senior living with Ashiana Utsav at Bhiwadi. Success of our theme-based residential projects like senior living housing for seniors at Jaipur and Lavasa has strengthened our belief that retirement communities are very much needed and desired by the people in the country. We believe that demand for senior living homes is strong due to a number of factors including the need for community living particularly in light of emergence of nuclear families and an increase in the proportion of senior citizens. We plan to continue focusing on senior living space in the long-term as we see this as a growth area in the real estate market with unmet demand. We believe that growing demand in this segment will mean that those developers that build a track record in this segment will benefit first from such demand and we plan to be amongst the leading real estate developers in this segment. We intend to foray further into this segment across other locations in India as the concept becomes increasingly popular.

***Focus on developing our brand***

We believe that a strong and recognizable brand is a key attribute in our industry and influences the decisions of our customers. Our brands constitute one of our most important assets. We aim to brand all our residential projects under the "Ashiana" brand. We believe that our project designs, construction standards, amenities and location will lead to greater brand recognition and awareness and customer trust and acceptance. We believe that our strategy to create a well-recognized brand would contribute to our sales and generate higher returns for our projects as compared against other less well-known developers. We intend to continue to take steps to further develop and enhance our brands through, among others, communication and promotional initiatives such as advertising, interaction with industry research organizations, participation in industry events and public relations through organizing of seminars. Such brand enhancing endeavours are primarily aimed at enhancing our brand presence in new geographies that we may venture into in the future.

**Our Business**

Our real estate development business is our principal business and focuses primarily on the development of real estate projects in the residential segment of the real estate industry. In addition, we generate a minor portion of our revenues from leasing commercial, hospitality and retail space.

***Real Estate Development Business***

We are mainly engaged in real estate development of residential projects which includes the following stages:

*(i)* *Location short listing*

Identification of the appropriate location is the key to our success in the real estate development process. We target primarily the middle income group in growing industrial hubs, primarily along the Delhi-Mumbai corridor. Our business development team gathers data on various areas in the city and accordingly locations are short-listed.

*(ii)* *Site / land identification*

Once a location is identified, the business development team collects details of the land from the town planning map and areas are selected. The business development team then takes the assistance of local brokers for selection of the site. The team visits the site, makes a study of the land, surroundings, and environment and also holds informal meetings with the local residents to collect information on any disputes which may not be available on paper. The availability of infrastructure facilities like market place, schools, hospitals, etc. are also examined.

*(iii)* *Negotiation with land owners*

We work out the land cost based on the selling price of apartment in the area adjusted for construction, marketing and finance costs and state the bench mark figure above which prices are not negotiated. If the Company decides to buy the land from land owners on an outright purchase basis, the entire payment will be paid to the land owners. However, if we obtain only development rights from the landlord then payment is made as per the terms and conditions of the development agreement entered into with such landlord. In such cases, we enter into memorandum of understandings authorising us to develop and sell the property.

*(iv)* *Execution of development agreement / powers of attorney / sale deeds*

Once the terms are negotiated, and preliminary legal clearance is obtained, we enter into a term sheet with the land owner and certain advance is paid to the land owner. On receipt of the advance, the owner agrees to enter into agreement with the Company. Thereafter, the legal scrutiny of the documents is taken up. We undertake title searches in the office of land records of relevant jurisdiction to verify title and ascertain if there are encumbrances with respect to the property being acquired / developed. Upon the receipt of the legal report, we enter into necessary agreements and also obtain a power of attorney in favour of the Company authorising us to sell or develop the property.

*(v)* *Appointment of architects*

As soon as the definitive agreements are executed with the land owners and a power of attorney is obtained, an architect is appointed.

*(vi)* *Preparation of Drawings*

The appointed architect is entrusted with the preparation of the primary drawings for discussions. The primary drawings are evaluated and discussed in a meeting with the engineering department, sales and marketing department, and maintenance department to ensure that the plans are evaluated from the angle of cost and market acceptability.

*(vii)* *Statutory clearances*

Various statutory clearances are obtained for each project. These include sanction of building plans, environmental approvals, fire approvals, airport authorities approvals and approvals from other governmental authorities.

*(viii)* *Pricing*

The pricing of the project is dependent on factors like construction cost, prevalent market prices and demand and supply scenario in the local market where the project is being developed.

*(ix)* *Project planning and monitoring*

The execution of the project is overseen by the project manager assisted by site engineers on a day-to-day basis to ensure timely supply of materials, proper usage of the materials and progress of work as per the project schedule.

*(x)* *Project marketing*

Project wise marketing is undertaken by the marketing department. The marketing department generally organizes exhibitions, newspaper advertisements, e-mail advertisements, SMS campaigns particularly giving the details of the new project. We also market our projects to our existing customers who in-turn refer other customers to us.

*(xi)* *Project sales*

With our dedicated in-house sales team of 75 personnel, we sell our projects before, during and after construction. We also make sales to customers who have been referred to us by our existing customers.

*(xii)* *Handing over*

We endeavour to complete the project as per schedule, and upon completion of all formalities by the customer, the possession of the unit is handed over.

*(xiii)* *Real estate maintenance services*

We offer facilities management service to some of our projects. Our property management services teams are responsible for the provision of maintenance and management services such as safety and security, cleaning, general maintenance, civil and electrical maintenance, landscaping and gardening, swimming pool and health club maintenance and general facilities management, which includes the operation and maintenance of facilities such as back-up power generation, water supply, drainage pumping, janitorial services, parking management, pest control, fire detection and solid waste disposal and management.

The following table represents the aggregate Saleable Area of our Completed Projects, Ongoing Projects and Future Projects:

*(in million square feet)*

| Type of Project | Completed Projects | Ongoing Projects | | Expected Future Projects |
|---|---|---|---|---|
| | Saleable Area | Saleable Area | Unsold Area | Saleable Area |
| Comfort Homes | 9.19 | 5.84 | 1.68 | 6.60 |
| Senior Living | 1.37 | 0.38 | 0.26 | 1.78 |
| **Total** | **10.56** | **6.23** | **1.94** | **8.38** |

***Residential Real Estate Development Business***

We develop a wide range of residential projects, from apartments and villas to group housing, focussing on the middle income and upper-middle income segments of the residential property market. The residential unit prices range from approximately ₹ 1,700 per sq. ft. to ₹ 7,300 per sq. ft. Unit sizes range from 667 sq. ft. to 3,775 sq. ft. Further, in the years ended March 31, 2014 and 2013, the majority of area comprising 90% of the projects sold at prices ranging from ₹ 2,500 per sq. ft. to ₹ 3,500 per sq. ft.

- ***Comfort Homes***

The comfort homes are designed for middle to upper middle income customer segment. Our Comfort Homes are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and power back-up. As at December 31, 2014, we sold 10,165 units of Comfort Homes aggregating to 13,444,429 square feet of Saleable Area.

- ***Senior Living***

The homes are specially designed keeping in mind the needs of seniors citizens. These apartments come with features such as anti-skid tiles, grab rails, big-sized switches and wall mounted night lamps. Other features include an emergency response system, doctor-on-call services and a 24 hour ambulance service. We believe that our project Ashiana Utsav was one of India's first senior living resorts at Bhiwadi. We also have senior living projects in Jaipur and Lavasa. As at December 31, 2014, we sold 1,186 units of Senior Living houses aggregating to 1,479,279 square feet of Saleable Area.

***Completed Projects***

Details of our Completed Projects (residential) since inception are as below:

| Sr. No. | Project Name | Project Location | Economic Interest | Project Type (Comfort Homes/Senior Living) | Saleable Area (in sq. ft.) (Total Saleable Area of the Project) | Unsold area (in square feet) | Total no. of units | No. of units unsold |
|---|---|---|---|---|---|---|---|---|
| 1. | Sangam Vihar | Jamshedpur | 100% | Comfort Homes | 60,000 | - | 60 | - |
| 2. | Ashiana Centre | Jamshedpur | 100% | Comfort Homes | 93,945 | - | 80 | - |
| 3. | Ashiana Gardens | Jamshedpur | 100% | Comfort Homes | 6,77,493 | - | 630 | - |
| 4. | Ashiana Greens | Bhiwadi | 100% | Comfort Homes | 1,34,960 | - | 135 | - |
| 5. | Ashiana Bageecha | Bhiwadi | 100% | Comfort Homes | 2,40,926 | - | 248 | - |
| 6. | Ashiana Enclave | Jamshedpur | 100% | Comfort Homes | 3,17,042 | - | 288 | - |
| 7. | Ashiana Gulmohar Park | Bhiwadi | 100% | Comfort Homes | 2,44,497 | - | 195 | - |
| 8. | Ashiana Gardens | Bhiwadi | 100% | Comfort Homes | 3,73,455 | - | 343 | - |
| 9. | Ashiana Suncity | Jamshedpur | 100% | Comfort Homes | 2,90,687 | - | 249 | - |
| 10. | Ashiana Villas | Bhiwadi | 100% | Comfort Homes | 1,06,520 | - | 49 | - |
| 11. | Ashiana Rangoli | Bhiwadi | 100% | Comfort Homes | 2,70,800 | - | 240 | - |
| 12. | Ashiana Residency Greens | Jamshedpur | 100% | Comfort Homes | 1,84,960 | - | 149 | - |
| 13. | Ashiana Greenhills | Neemrana | 100% | Comfort Homes | 3,48,640 | - | 281 | - |
| 14. | Utsav Bhiwadi | Bhiwadi | 100% | Senior living | 7,80,500* | 8,380 | 642 | 6.0 |
| 15. | Ashiana Manglam | Jaipur | 65% (Profit share in Partnership) | Comfort Homes | 2,21,602 | - | 159 | - |
| 16. | Ashiana Woodland | Jamshedpur | 100% | Comfort Homes | 3,61,028 | - | 259 | - |
| 17. | Ashiana Geenwoods | Jaipur | 50% (Profit share in Partnership) | Comfort Homes | 3,62,000 | - | 200 | - |
| 18. | Utsav Senior Living (Under Ashiana Manglam Developers) | Jaipur | 65% (Profit share in Partnership) | Senior living | 3,78,200* | 3,660 | 311 | 3.0 |
| 19. | Ashiana Aangan | Bhiwadi | 100% | Comfort Homes | 20,56,452 | 4,324 | 1,593 | 1 |

| Sr. No. | Project Name | Project Location | Economic Interest | Project Type (Comfort Homes/Senior Living) | Saleable Area (in sq. ft.) (Total Saleable Area of the Project) | Unsold area (in square feet) | Total no. of units | No. of units unsold |
|---|---|---|---|---|---|---|---|---|
| 20. | Ashiana Amarbagh | Jodhpur | 100%** | Comfort Homes | 5,94,776 | - | 413 | - |
| 21. | Ashiana Brahmananda | Jamshedpur | 100% | Comfort Homes | 4,80,380 | - | 390 | - |
| 22. | Ashiana Treehouse Residences | Bhiwadi | 100% | Comfort Homes | 1,19,988 | 62,833 | 36 | 19.0 |
| 23. | Ashiana Utsav Senior Living (Phase 1) | Lavasa | 100% | Senior Living | 2,12,820 | 22,100 | 158 | 20.0 |
| 24. | Rangoli Gardens (Phases 1 to 4) | Jaipur | 50% (Profit share in Partnership) | Comfort Homes | 16,51,560 | 1,660 | 1,112 | 1.0 |
| | **Total** | | | | **10,563,231** | **102,957** | **8,220** | **50** |

**Includes area used for care homes*
*** Holding 100% with effect from April 1, 2012,*

Area booked, equivalent area constructed, cash flows operating activities and average realization are as mentioned below:

*(In millions except Average Realisation)*

| Particulars | FY2012 | FY2013 | FY2014 | H12015 |
|---|---|---|---|---|
| Area booked (in square feet) | 1.78 | 1.87 | 2.21 | 1.09 |
| Equivalent area constructed (in square feet) | 1.462 | 1.227 | 1.787 | 1.08 |
| Net cash flows from operating activities (in ₹) | 14.35 | (219.75) | (231.90) | (61.67) |
| Average realisation (in ₹/ square feet) | 2,190 | 2,699 | 2,926 | 2,955 |

Some of our notable Completed Projects are as below:

*AshianaAangan, Bhiwadi:* The Company holds 100% economic interest in Ashiana Aangan in Bhiwadi. The Ashiana Aangan project provides for comfort homes with total Saleable Area of 2.06 million square feet and total sold area of 2.05 million square feet. The total homes/ plots constructed at Ashiana Aangan are 1,544.

*Rangoli Gardens, Jaipur:* The project at Rangoli Gardens in Jaipur was constructed in partnership with Megha Colonizers with our Company having 50% profit sharing in the partnership. The Rangoli Gardens project for completed phases provides for comfort homes with total Saleable Area of 1.65 million square feet and total sold area of 1.65 million square feet. The total homes/plots constructed at Rangoli Gardens are 1,112 in number. The total Saleable Area for ongoing construction of comfort homes at three phases in the Rangoli Gardens project is 895,180 square feet and total Saleable Area for ongoing construction for commercial purpose in the Rangoli Gardens Plaza project is 70,420 square feet. The comfort homes constructed comprises 2/3/4 BHK flats.

***Ongoing Projects***

In relation to all the Ongoing Projects mentioned in the table below, all title, development rights or other interest in the land is held either directly by our Company and/or our Subsidiaries and/or other entities in which our Company and/or our Subsidiaries have a stake; wherever required, all land for the project has been converted for intended land use; and construction development activity has commenced.

Details of our Ongoing Projects (residential) as at December 31, 2014 are as below:

| Sr. No. | Project Name | Project Location | Economic Interest | Project Type (Comfort Homes / Senior Living / Commercial) | Saleable Area (in sq. ft.) (Total Saleable Area of the Project) | Unsold Area (in sq. ft.) | Total no. of Units | No. of units unsold |
|---|---|---|---|---|---|---|---|---|
| 1. | Ashiana Town Beta | Bhiwadi | 100% | Comfort Homes | 1,562,680 | 6,46,340 | 1,232 | 495 |
| 2. | Ashiana Surbhi (Phase 1) | Bhiwadi | 100% | Comfort Homes | 280,080 | 91,205 | 288 | 85 |
| 3. | Ashiana Aangan Neemrana (Phase 1) | Neemrana | 100% | Comfort Homes | 420,000 | 1,450 | 336 | 1 |
| 4. | Rangoli Gardens (Phase 5 to 7) | Jaipur | 50% (Profit share in Partnership) | Comfort Homes | 895,180 | 4,830 | 568 | 2 |
| 5. | Gulmohar Gardens (Phases 1 to 3) | Jaipur | 50% (Profit share in Partnership) | Comfort Homes | 733,090 | 2,87,395 | 547 | 232 |
| 6. | Vrinda Gardens (Phase 1) | Jaipur | 50% (Profit share in Partnership) | Comfort Homes | 457,200 | 1,83,295 | 336 | 128 |
| 7. | Ashiana Umang (Phase 1) | Jaipur | 100% | Comfort Homes | 401,280 | 74,195 | 288 | 47 |
| 8. | Ashiana Dwarka (Phase 1) | Jodhpur | 75% of Area Share | Comfort Homes | 183,520 | 1,00,090 | 140 | 75 (includes 35 units allotted to partnership firm) |
| 9. | Ashiana Anantara | Jamshedpur | 74.5% of Revenue Share | Comfort Homes | 466,280 | 51,000 | 350 | 42 |
| 10. | Ashiana Navrang (Phases 1, 2) | Halol | 81% of Revenue Share | Comfort Homes | 444,960 | 2,35,755 | 336 | 172 |
| 11. | Ashiana Utsav Senior Living (Phases 2, 3) | Lavasa | 100% | Senior Living | 382,164 | 2,62,734 | 289 | 201 |
| | **Total** | | | | **6,226,434** | **1,938,289** | **4,710** | **1,480** |

Some of our notable Ongoing Projects are as below:

*Ashiana Town Beta, Bhiwadi:* The Company holds 100% economic interest in Ashiana Town Beta located in Bhiwadi. The Ashiana Town project provides for comfort homes with total Saleable Area of 1.56 million square feet and total sold area of 0.92 million square feet. The total flats to be constructed at Ashiana Town Beta are 1,232. The comfort homes constructed comprises 2-3 BHK flats.

Ashiana Umang, Jaipur: The Company holds 100% economic interest in Ashiana Umang located in Bhiwadi. The Ashiana Umang project provides for comfort homes with total Saleable Area of 0.40 million square feet for the completed Phase 1 and total sold area of 0.33 million square feet. The total homes/plots constructed at Ashiana Town Beta are 288. The comfort homes constructed comprises 2-3 BHK flats.

***Future Projects***

In relation to the Future Projects (residential) mentioned below, all title, development rights or other interest in the land is held either directly by our Company and/or our Subsidiaries and/or other entities in which our Company and/or our Subsidiaries have a stake; and our management has commenced with the formulation of development plans.

Details of our Future Projects (residential) as on December 31, 2014 are as below:

| Sr. No. | Project Name | Project Location | Economic Interest | Project Type (Comfort Homes / Senior Living) | Saleable Area (in sq. ft.) (Total Saleable Area of the Project) | Unsold area (in square feet) | Total no. of Units | No. of units unsold |
|---|---|---|---|---|---|---|---|---|
| 1. | Ashiana Nirmay | Bhiwadi | 100% | Senior Living | 785,612 | 7,63,143 | 624 | 605 |
| 2. | Ashiana Surbhi (Phase 2) | Bhiwadi | 100% | Comfort Homes | 186,720 | 1,33,040 | 192 | 133 |
| 3. | Gulmohar Gardens (Phase 4) | Jaipur | 50% (Profit share in Partnership) | Comfort Homes | 361,115 | 3,57,140 | 269 | 266 |
| 4. | Vrinda Gardens (Phases 2 to 4) | Jaipur | 50% (Profit share in Partnership) | Comfort Homes | 1,025,280 | 9,99,890 | 768 | 748 |
| 5. | Ashiana Umang (Phase 2, 3) | Jaipur | 100% | Comfort Homes | 841,440 | 7,71,665 | 624 | 566 |
| 6. | Ashiana Navrang (Phase 3) | Halol | 81% of Revenue Share | Comfort Homes | 226,080 | 2,26,080 | 176 | 176 |
| 7. | Ashiana Utsav Senior Living (Phase 4) | Lavasa | 100% | Senior Living | 27,011 (Assisted living centre, not for sale) | 27,011 (Assisted living centre, not for sale) | NA | NA |
| 8. | Ashiana Dwarka (Phase 2, 3) | Jodhpur | 75% of Area Share | Comfort Homes | 511,680 | 511,680 | NA | NA |
| 9. | Ashiana Aangan Neemrana (Phase 2) | Neemrana | 100% | Comfort Homes | 400,000 | 400,000 | NA | NA |
| 10. | Ashiana "Anmol" | Gurgaon | 65% Revenue share in joint development agreement | Comfort Homes | 1,150,000 | 1,150,000 | NA | NA |
| 11. | Chennai | Chennai | 73.75% revenue share under JDA | Senior Living | 970,000 | 970,000 | NA | NA |
| 12. | Ashiana Town Gamma | Bhiwadi | 100% | Comfort Homes | 1,845,000 | 1,845,000 | NA | NA |
| 13. | Gulmohar Gardens | Jaipur | 50% (Profit share in Partnership) | Comfort Homes | 53,790 | 53,790 | NA | NA |
| | **Total** | | | | **8,383,728** | **8,208,439** | **NA** | **NA** |

***Land available for Future Development***

Land available for Future Development as mentioned below are lands in which we have obtained any right or interest, or have entered into agreements to sell/memorandum of understanding with respect to such rights or interest, as the case may be, and which does not form part of our Completed, Ongoing and Future Projects.

Details of Land available for Future Development as on December 31, 2014 are as below:

| Sr. No. | Project Name | Project Location | Economic Interest | Estimated Saleable Area (in sq. ft.) | Project Type (Comfort Homes / Senior Living / Commercial) |
|---|---|---|---|---|---|
| 1. | Kolkata Land | Kolkata | 100% | 750,000 | Senior Living |
| 2. | Milakhpur Land | Bhiwadi | 100% | 3,100,000 | Comfort Homes |
| 3. | Land at ICD | Bhiwadi | 100% | 1,000,000 | Comfort Homes |

***Commercial Real Estate Development Business***

While development of residential real estate is our primary focus, we also develop a limited retail and commercial properties, including the construction of hotels.

***Completed Projects***

Details of our Completed Projects (commercial) since inception are as below:

| Sr. No. | Project Name* | Project Location | Economic Interest | Saleable Area (in sq. ft.) (Total Saleable Area of the Project) | Unsold area (in square feet) |
|---|---|---|---|---|---|
| 1. | Ashiana Trade Centre | Jamshedpur | 100% | 114,805 | - |
| 2. | Ashiana Arcade | Bhiwadi | 100% | 9,402 | - |
| 3. | Vatika Place | Bhiwadi | 100% | 2,604 | - |
| 4. | Ashiana Village Centre** | Bhiwadi | 100% | 38,575 | - |
| 5. | Ashiana Treehouse Residences Plaza | Bhiwadi | 100% | 8,366 | 830 |
| | **Total** | | | **173,752** | **830** |

** In addition to the above projects, our Company is running a hotel called "The Treehouse" in Bhiwadi which we continue to own and operate ourselves.*
***Shops have been transferred to the investments in the Company's balance sheet and are leased out.*

***Ongoing Projects***

In relation to all the Ongoing Projects mentioned in the table below, construction or development activities have commenced, all approvals for commencing construction and development have been obtained (other than as indicated in the table below), and the right and/or interest in the land is held directly by our Company and/or the Subsidiaries in which the Company has a shareholding.

Details of our Ongoing Projects (commercial) as at December 31, 2014 are as below:

| Sr. No. | Project Name | Project Location | Economic Interest | Saleable Area (in sq. ft.) (Total Saleable Area of the Project) | Unsold area (in square feet) |
|---|---|---|---|---|---|
| 1. | Rangoli Gardens Plaza | Jaipur | 50% (Profit share in Partnership) | 70,420 | 36,832 |
| 2. | Ashiana Marine Plaza* | Jamshedpur | 100% | 81,743 | 68,108 |
| | **Total** | | | **152,163** | **104,940** |

**Beside shops, a hotel is also under construction.*

### *Future Projects*

In relation to the Future Projects (commercial) mentioned below, all title, development rights or other interest in the land is held either directly by our Company and/or our Subsidiaries and/or other entities in which our Company and/or our Subsidiaries have a stake; and our management has commenced with the formulation of development plans.

Details of our Future Projects (commercial) as on December 31, 2014 are as below:

| Sr. No. | Project Name | Project Location | Economic Interest | Saleable Area (in sq. ft.) (Total Saleable Area of the Project) | Unsold area (in square feet) |
|---|---|---|---|---|---|
| 1. | Gulmohar Gardens | Jaipur | 50% (Profit share in Partnership) | 11,340 | 11,340 |
| 2. | Ashiana Aangan Plaza | Neemrana | 100% | 4,293 | 4,293 |
| | **Total** | | | **15,633** | **15,633** |

### *Joint Development and Joint Venture Model*

#### *Joint Development*

We develop certain of our projects through joint development agreements with land-owners, in terms of which we acquire the development rights to the underlying land.

In terms of each joint development agreement we conclude with land-owners, the land-owner contributes the underlying land, and we, as the project developers, either directly through our Company or through Subsidiaries or a joint venture, are responsible for the cost, design and execution of the development of the project on the land contributed by the land-owner, as well as the marketing and sale of the project upon launch or completion.

The joint development agreement also typically sets out the economic interests of the land owner(s) and the developer, which is expressed as a percentage of revenues to be derived from the sale of units in the project or as a percentage of the total area earmarked for development, and in respect to which each of the parties are entitled to the sale proceeds. Accordingly, our economic interest in a given project developed pursuant to a joint development agreement represents the percentage of sale proceeds from the Saleable Area and the percentage of the share in the land area conveyed to us, that we are entitled to retain under the terms of the joint development agreement. As of December 31, 2014, 1.09 million square feet of total Saleable Area of the Ongoing Projects, or 17.16%, of Ongoing Projects, are being developed through joint development agreements.

#### *Joint Venture Model*

When developing a project through a joint venture, we typically enter into an agreement with a partner for the development of one or more projects. In terms of each agreement we conclude with a partner, a SPV (typically in the form of unlimited liability partnerships) is incorporated in which each party to the joint venture invests a stipulated amount of capital. The acquisition of land for the project and the development costs are borne by the SPV, which holds ownership rights to the land and the project is typically sold and marketed under a co-branding arrangement with the joint venture partner.

Our economic interest in a given project developed pursuant to a joint venture represents the percentage of profits that we are entitled to receive as a distribution from the SPV in which we are a stake holder.

### Sales and Marketing

We have a dedicated sales team which focuses on the sales of residential and commercial projects. We sell projects both on a pre-sale basis as well as during and after construction.

We undertake direct sales efforts, either through our sales team, which comprises of 75 personnel as of December 31, 2014, or through our limited network of external marketing agents. We maintain a detailed database of our existing customers for purposes of marketing new residential and commercial projects to them. In addition, all enquiries, whether from existing or new customers, are captured by a separate enquiries database. Both databases are used to target customers for any new real estate offering, and typically constitute the first reference list that our sales team uses in marketing any new project. We also make sales to new customers who have been referred to us by our existing customers.

Our marketing activities typically begin immediately following the finalization of the pricing of a real estate project, at which stage our sales team targets potential purchasers. Our sales team conducts an extensive marketing launch where they brief our sales associates on the development in question, and provide them with all relevant information and materials necessary for the marketing of the development. Our sales team also utilizes a mix of traditional marketing methods such as advertising and publicity in the leading newspapers and magazines of the region.

We also build, furnish and landscape sample units for residential projects and maintain an on-site sales office for each development. These sample units are intended to provide potential customers with a virtual experience of our residential projects, and provides us with an opportunity to address and focus on the unique requirements of each potential customer.

**Technology**

The branches of our Company located all across India are connected with dual redundant multiprotocol label switching and virtual private network for 100% link connectivity with head quarter office located in New Delhi, India. We have centralized data center at our head office secured with intrusion prevention system/ intrusion detection system enabled fortinet firewall and we have also installed CISCO based core network equipments. We have a data backup policy to secure the data on daily, weekly and monthly basis and weekly off-site data backup storage for data availability and restoration in case of any disaster recovery.

**Competition**

We operate in highly competitive markets. To remain competitive, we strive to reduce procurement costs and improve operating efficiencies. The real estate development sector is still largely fragmented in India. Among the few organized entities in this sector, our chief competitors are large developers such as Mahima Group, Avalon Group and Krish Group.

**Employees**

As at December 31, 2014, our Company had 618 employees consisting of finance, technical (engineering and architecture), marketing, property management, legal and administrative and non-technical staff. We do not take into count any manpower employed by our sub-contractors in calculating our personnel members. We expect that human resources and employee recruitment activities will increase as our business grows. We believe that our employees are key contributors to our business success. We make a concerted effort to provide training and development to newly hired professionals in order to maximize the performance of our employees.

**Insurance**

We hold insurance policies with insurance companies which we feel provide quality services. We hold contractors-all risk insurance policies for our on-going projects and our completed but unsold projects, which cover fire and earthquake damage. For Tree House hotel, we have taken a fire and earthquake insurance.

We also hold health insurance for our employees as benefits. We believe our insurance policies are adequate to protect us against the risks for which we are covered. However, we cannot assure you that the amount of insurance we carry will be sufficient to protect us from a material loss. See "Risk Factors – Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage may adversely affect our business, results of operations and financial condition." on page 47.

**Facilities**

Our registered office is located at 5F, Everest, 46/C, Chowringhee Road, Kolkata – 700 071, West Bengal, India and our corporate office is located at 304, Southern Park, Saket District Centre, Saket, New Delhi- 110 017, India. These offices house the corporate headquarters, general administration, human resources, sales and service, finance and accounting departments. The registered office is leased from P.C. Enterprises Private Limited since January 1, 1993 while our corporate office is owned by us.

We have eight offices located in eight cities across India all located in premises which are leased.

**Intellectual Property**

We believe our intellectual property, particularly our trademarks and service marks, are critical to our present and future success. We have registered several trademarks in India relating to 'Ashiana' (device and word), Utsav (device and word) and Ashiana Utsav (device and word) in classes 16, 19, 35, 36, 37, 41 and 42 of the Trademarks Act. In addition, we have applied for the registration of a number of other service marks and trademarks in India.

In addition, we have registered a number of internet domain names related to our brands.

**Litigation**

For further information on material litigation involving our Company see "Legal Proceedings" on page 163.

## KEY INDUSTRY REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this section has been obtained from various statues, rules and regulations and/or local legislations that are available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, adminsitratuve or judicial decisions.*

### Real Estate Laws in India

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and urban development departments where projects are undertaken on lands that form part of the approved layout plans and/or fall within municipal limits of a town, generally the building plans of the projects have to be approved from concerned municipal or developmental authority. Building plans are required to be approved for each building within the project area. Clearances with respect to other aspects of development such as fire, civil aviation and pollution control are required from appropriate authorities, depending on the nature, size and height of the projects.

Land can be classified into various categories such as residential, commercial or agricultural and the land classified under a specific category is permitted to be used only for such specified purpose. If an agricultural land is required to be used for any other purpose except agriculture, the classification of the land is required to be converted into residential, commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. The acquisition of agricultural land is regulated by state land reform laws, which prescribe limits up to which an entity may acquire agricultural land, unless provided otherwise. Any transfer of land which results in the aggregate land holdings of the acquirer in the state to exceed this ceiling is void, and the surplus land is vested in the State Government free of all encumbrances. While granting license for the development of townships, the authorities generally levy proportional development charges for the provision of services such as laying down of main lines, water supply etc. Such licenses require approvals of layout plans for development and building plans for construction activities.

The following is an overview of some of the important laws and regulations, which are relevant to our business:

### Real Estate Regulation and Development Bill, 2013

The Real Estate Regulation and Development Bill, 2013 (the "**Real Estate Bill**") was approved by the Union Cabinet and tabled before the Rajya Sabha on August 14, 2013. The Real Estate Bill will require the approval of both houses of the Indian Parliament as well as the assent of the President of India, and publication in the Official Gazette prior to becoming law.

The Real Estate Bill regulates the transactions between buyers and promoters of residential real estate projects and sets forth the following proposals:

- establish one or more real estate regulatory authority in each state or union territory for the regulation and promotion of the real estate sector and to ensure the sale of land, apartments and buildings in an efficient and transparent manner and to protect the interest of consumers in the real estate sector;
- establish an appellate tribunal to adjudicate disputes and hear appeals from the decisions or orders of the real estate regulatory authority and for matter connected therewith;
- mandatory registration of certain real estate projects and agents with real estate regulatory authority;
- imposing restrictions on accepting a sum of money greater than 10% of the cost of the property sought to be sold as advance payment or an application fee from any proposed buyer without first entering into a written agreement for sale with such buyer in the form as may be prescribed;
- prohibiting real estate promoters from issuing or publishing any advertisement or prospectus or inviting any members of the public to buy or make bookings in any projects proposed to be developed or taking advances or deposits with respect to such projects without registering such project with the relevant real estate regulatory authority;

- the real estate regulatory authority to maintain a website containing details of the proposed projects that have been duly registered with the relevant real estate development authority, containing specified information including the sanctions obtained, nature of the title to the property, the agreement executed for the development of the proposed project, and details of all encumbrances on the land; and
- refund of any amount paid with respect to such properties, the payment of penalty and other sums of money to the proposed buyers in the event of failure to complete the project and deliver possession of the plot or building in accordance with the agreed terms.

There is no certainty on whether the Real Estate Bill will be approved in its current form or amended or enacted at all.

**The Finance Bill, 2014 and the Union Budget 2014**

The Ministry of Finance, Government of India has proposed the Union Budget 2014-15 on July 10, 2014 which included proposals that may impact the real estate sector including the following:

***Smart Cities***

The Finance Minister announced a proposal to develop new "smart cities" to accommodate increasing migration from rural areas. Such "smart cities" are envisaged to consist of satellite towns of larger cities, and modernized existing mid-size cities. These smart cities are proposed to provide affordable housing to the middle class. Projects which commit at least 30% of the total project cost for low cost affordable housing, will be exempted from minimum built up area and capitalisation requirements. However, investment in such projects is proposed to be locked-in for a three year period.

***Increase in FDI limit for real estate projects***

The Finance Minister proposed that the built up area and capital conditions for FDI be reduced from 50,000 square metres to 20,000 square metres and from USD 10 million to USD 5 million respectively with a three-year post completion lock in.

***Allocation to National Housing Bank***

The Finance Minister announced a proposal to allocate ₹ 80 billion for the National Housing Bank (**"NHB"**) to benefit rural populations that avail credit through the Rural Housing Fund. With respect to urban housing, ₹ 40 billion has been allocated to the NHB to increase the availability of cheaper credit for affordable housing to the urban poor/ economically weaker section/ low income group segment.

***Extension of advance ruling facility to residents***

Currently, an advance ruling can be obtained with respect to the tax liability arising out of transactions involving non-residents, residents having transactions with non-residents and public sector companies as notified in the official Gazette. The Finance Minister announced a proposal to make this facility available to resident taxpayers with respect to liability above a fixed threshold. The introduction of this facility to residents is expected to assist resident companies to ascertain and quantify their tax liabilities on various transactions in advance.

***Disallowance of expenditure for non-withholding of tax***

Presently, 100% of the expenditure on which tax was required to be withheld is disallowed, if tax is not withheld/deposited within the prescribed time in case of specified payments (such as interest, commission, rent, royalty, etc.) to residents. It is proposed that such disallowance would be restricted to only 30% of the expenses incurred during the relevant period.

***Issue of Long Term Bonds by banks to finance infrastructure and affordable housing***

The Finance Minister announced a proposal to permit banks to raise long term funds for lending to infrastructure sector with minimum regulatory pre-emption such as CRR, SLR and Priority Sector Lending. Pursuant to a circular dated July 15, 2014, RBI noted that apart from what is technically defined as infrastructure, affordable housing is another segment of the economy which both requires long term funding and is of critical importance, and permitted banks to issue long-term bonds with a minimum maturity of seven years to raise resources for lending to (i) long term projects in infrastructure sub-sectors, and (ii) affordable housing.

**SEBI (Real Estate Investment Trust) Regulations, 2014**

On September 26, 2014, SEBI notified the SEBI (Real Estate Investment Trusts) Regulations 2014 ("**SEBI REIT Regulations**") providing a detailed regulatory framework for establishment and operations of Real Estate Investment Trust ("**REIT**") in India. The REITs shall be governed by the 'trust deed' (registered under the Registration Act, 1908), the SEBI REIT Regulations and since REITs are in the nature of private trusts, by Indian Trusts Act, 1882. The REITs can only invest directly in real estate assets or properties, securities, transferable development rights in India or indirectly in all of the above through SPVs. Further, an REIT is required to invest in at least 2 projects and the maximum threshold limit for a single project is 60% of the value of REIT's assets. REITs are prohibited from investing in other REITs, vacant land, agricultural land and mortgages other than mortgage backed securities. However, this does not include any land which is contiguous and extension of an existing project being implemented in stages. Although SEBI REIT Regulations allow subscription of units by foreign investors, FDI in trusts other than venture capital funds is prohibited under the present FDI Policy.

**The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013**

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, as amended ("**2013 Land Acquisition Act**") has replaced the Land Acquisition Act, 1894 and aims at establishing a participative, informed and transparent process for land acquisition for industrialization, development of essential infrastructural facilities and urbanization. While aiming to cause least disturbance to land owners and other affected families, it contains provisions aimed at ensuring just and fair compensation to the affected families whose land has been acquired or is proposed to be acquired. It provides for rehabilitation and resettlement of such affected persons. Under the 2013 Land Acquisition Act, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Maharashtra) Rules, 2014 have been notified which frame rules in relation to *inter alia* the consent process, the compensation mechanism and rehabilitation and resettlement.

**The Transfer of Property Act, 1882**

The Transfer of Property Act, 1882, as amended establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

**The Registration Act, 1908**

The Registration Act, 1908, as amended (the "**Registration Act**") has been enacted with the objective of providing public notice of the execution of documents affecting, *inter alia*, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory to bring the transaction to effect and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent.

**The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, as amended (the "**Stamp Act**"), stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all. However, the instruments which have not been properly stamped can, in certain cases, be validated by paying the penalty as prescribed under the Stamp Act.

**The Indian Easements Act, 1882**

An easement is a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done, in or upon, other land not his own. Under the Indian Easements Act, 1882, as amended, a license is defined as a right to use property without any interest in favour of the licensee. The period and incident may be revoked and grounds for the same may be provided in the license agreement entered in between the licensee and the licensor.

**The Consumer Protection Act, 1986**

The Consumer Protection Act, 1986 ("**CP Act**") was enacted to provide for better protection of the interests of consumers and contains provisions for establishment of consumer councils and other authorities for the settlement of consumers' disputes and for matters connected therewith. It provides a simpler and quicker access to the redressal of consumer grievances. It also provides means to protect consumers from getting cheated or harassed by the suppliers. The CP Act has provided machinery whereby consumers can file their complaints which will be entertained by the Consumer Forums with special powers so that action can be taken against erring suppliers and the possible compensation may be awarded to consumers for the hardships undergone by them.

**Laws relating to Employment**

The employment of construction workers is regulated by a wide variety of generally applicable labour laws, including the Contract Labour (Regulation and Abolition) Act, 1970, Minimum Wages Act, 1948, Payment of Bonus Act, 1965, Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, Payment of Wages Act, 1936 and Workmen (Regulation of Employment and Condition of Service) Act, 1979. The laws governing other employees of the Company include Employees' State Insurance Act, 1948, Payment of Gratuity Act, 1972, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961 and the Income Tax Act, 1961.

**Laws relating to Environment**

The three major statutes in India which seek to regulate and protect the environment against pollution and related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment (Protection) Act, 1986. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "PCB") which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure, and investigation if the authorities are aware of or suspect pollution.

The Environment (Protection) Act, 1986 confers extensive powers on the Ministry of Environment and Forests to lay down rules for, *inter alia*, the standards of quality of air, water or soil for various areas and purposes and the prohibition and restriction on the location of industries and carrying on of processes and operations in different areas, towards the prevention, control and abatement of environmental pollution.

**Laws relating to Foreign Investment**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("**FEMA**"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are Foreign Investment Promotion Board ("**FIPB**") and the Reserve Bank of India ("**RBI**").

The Government has from time to time made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), issued Circular 1 of 2014 ("**Circular 1 of 2014**"), which with effect from April 17, 2014, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Circular 1 of 2014 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the Securities and Exchange Board of India/RBI.

On October 29, 2014, the Union Cabinet approved the proposal for amending the FDI Policy on the construction development sector. Among others, following are the important modifications in the FDI policy:

- 100 per cent FDI under automatic route will be permitted in the construction development sector;
- Investment will be subject to the following conditions;
- Minimum area to be developed under each project would be:
    - In case of development of serviced plots, there is no condition of minimum land,
    - In case of construction-development projects, a minimum floor area of 20,000 sq. meters,
    - In case of a combination project, any one of the aforestated two conditions will need to be complied with.
- The investee company will be required to bring minimum FDI of US$ 5 million within six months of commencement of the project. The commencement of the project will be the date of approval of the building plan/lay out plan by the relevant statutory authority. Subsequent tranches of FDI can be brought till the period of ten years from the commencement of the project or before the completion of the project, whichever expires earlier.

**Other Laws**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act 2013, the Companies Act, 1956 (to the extent still applicable), SEBI Regulations, different state legislations, various tax related legislations and other applicable statutes for its day-to-day operations.

## BOARD OF DIRECTORS AND KEY EMPLOYEES

***Board of Directors***

The general supervision, direction and management of our operations and business are vested in the Board, which exercises its powers pursuant to the Articles and the requirements of Indian law. The Board presently consists of six Directors and as per our Articles of Association, we shall not have less than three Directors and not more than 12 Directors. The quorum for meetings of the Board is one third of the total number of Directors or two Directors, whichever is higher. The participation of the Directors by video conferencing or by other visual means will be counted towards quorum. Where the number of interested Directors exceeds or is equal to two - thirds of the total number of remaining Directors present at such meeting, the number of remaining Directors who are not interested and are present at the meeting, not being less than two, shall be the quorum during such time. In case there is no quorum for a Board meeting, the remaining Directors may act only for the purpose of increasing the number of Directors to meet the quorum requirements or to summon a general meeting.

The Directors may be appointed by the Board or by a general meeting of the Shareholders. The Board may appoint any person as an additional Director, but such a Director must retire at the next AGM or on the last date when the AGM should have been held, whichever is earlier, unless re-elected by the Shareholders after complying with the provisions of the Companies Act. A person who fails to get appointed as a Director in a general meeting cannot be appointed as an additional Director. A casual vacancy caused in the Board due to death or resignation of a Director, can be filled by the Board, but such a person can remain in office only for the unexpired term of the person in whose place he was appointed and on the expiry of the term he will retire unless re-elected by the Shareholders. The Board may appoint an alternate Director in accordance with the provisions of the Companies Act to act for a Director during his absence from India, which period of absences shall not be less than three months (subject to such person being acceptable to the Chairman). Pursuant to the provisions of the Companies Act, at least two-thirds of the total Directors excluding the Independent Directors are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further, the Independent Directors may be appointed for a maximum of two terms of up to five consecutive years each. Any re-appointment of Independent Directors shall *inter-alia* be on the basis of the performance evaluation report and approved by the shareholders by way of special resolution.

The following table sets forth details regarding the Board of Directors as of the date of this Placement Document:

| Sr. No. | Name, Address, Occupation, DIN, Term and Nationality | Age | Designation |
|---|---|---|---|
| 1. | Mr. Vishal Gupta<br>**Address:** W-177, GK-2, New Delhi – 110 048<br>**DIN:** 00097939<br>**Term:** April1, 2013 to March 31, 2016<br>**Nationality:** Indian | 41 | Managing Director |
| 2. | Mr. Ankur Gupta<br>**Address:** 3rd Floor, C-8, Maharani Bagh, New Delhi – 110 065<br>**DIN:** 00059884<br>**Term:** April 1, 2013 to March 31, 2016<br>**Nationality:** Indian | 37 | Joint Managing Director |
| 3. | Mr. Varun Gupta<br>**Address:** W-177, GK-2, New Delhi – 110 048<br>**DIN:** 01666653<br>**Term:** July 1, 2014 to June 30, 2017<br>**Nationality:** Indian | 31 | Whole Time Director |
| 4. | Mr. Abhishek Dalmia<br>**Address:** Radha Vihar, 35-B, Prithviraj Road, New Delhi – 110 011<br>**DIN:** 00011958<br>**Term:** Liable to retire as per Companies Act, 2013<br>**Nationality:** Indian | 45 | Non-Executive Independent Director |
| 5. | Ms. Sonal Mattoo<br>**Address:** 1487 Block-K, Palam Vihar, Gurgaon – 122 017, | 40 | Non-Executive Independent Director |

| Sr. No. | Name, Address, Occupation, DIN, Term and Nationality | Age | Designation |
|---|---|---|---|
| | Haryana<br>**DIN:** 00106795<br>**Term:** Director liable to retire by rotation as per Companies Act, 2013<br>**Nationality:** Indian | | |
| 6. | Mr. Hemant Kaul<br>**Address:** 801/802, Satellite Towers, Koregaon Park Annex, Pune – 411 036, Maharashtra<br>**DIN:** 00551588<br>**Term:** August 29, 2014 to August 28, 2017<br>**Nationality:** Indian | 58 | Non-Executive Independent Director |

***Biographies of the Directors***

**Mr. Vishal Gupta – Managing Director**

Mr. Vishal Gupta is the managing director of our Company. Mr. Vishal Gupta is a graduate from Sydenham College, Mumbai and has obtained a post graduate diploma in International Management from Foundation for Organisational Research and Education School of Management, Delhi. Mr. Vishal Gupta is acknowledged for his in depth understanding of the real estate business, customer psychology and market behavior. He has a great eye for detail and takes a keen interest in the conceptualization and planning of new housing projects for the Company. He is associated with Ashiana for the last 18 years and actively involved in finance, marketing, project execution and general administration. He has been instrumental in present growth of the Company.

**Mr. Ankur Gupta – Joint Managing Director**

Mr. Ankur Gupta is the joint managing director of our Company. Mr. Ankur Gupta is a bachelor in business administration from Fairleigh Dickinson University, United States of America and a master's in science in real estate from New York University, United States of America. Mr. Ankur Gupta focused on residential projects for senior citizens during his research work at university. His currently leads the sales and marketing and IT functions of the Company. He also looks after hotel and facility management division. He has around 14 years of experience and is actively associated with our Company for the last 12 years.

**Mr. Varun Gupta – Whole Time Director**

Mr. Varun Gupta is the whole time director of our Company. Mr. Varun Gupta is a bachelor in science from Stern School of Business, New York University, United States of America. Mr. Varun Gupta majored in finance and management and graduated with the high academic distinction. He has been associated with our Company for the last six years and is looking after land, accounts and finance functions.

**Mr. Abhishek Dalmia – Non – Executive Independent Director**

Mr. Abhishek Dalmia is the non – executive independent director of our Company. Mr. Abhishek Dalmia is a Chartered Accountant from the Institute of Chartered Accountants of India. He started his career by setting up an advisory business under the name of Renaissance Group. He has been associated with our Company since 2006.

**Ms. Sonal Mattoo – Non – Executive Independent Director**

Ms. Sonal Mattoo is a lawyer with 19 years of post-qualification work experience. She holds a bachelor of arts and a bachelor of laws degree from National Law School of India University, Bangalore. She specialises in workplace harassment, diversity issues, mediation matters, matrimonial issues and negotiations. She is the founder director of "Helping Hands", a non-governmental organsiation which specialises in dealing with issues of women, children and senior citizens. She is also the founder and principal consultant of Mantran Consultants, a firm specializing in corporate social responsibility activities, counselling, diversity policies and workshops. Ms. Sonal Mattoo helps implement policies against sexual harassment / gender sensitization and other forms of harassment and discrimination at the work place, besides carrying out training and investigation on complaints filed with the organization.

**Mr. Hemant Kaul – Non – Executive Independent Director**

Mr. Hemant Kaul was the managing director and chief executive officer of Bajaj Allianz General Insurance Company Limited. He has also worked with Axis Bank as an executive director. He was also a part of the initial team that set up UTI Bank in 1994. During his tenure in UTI/Axis Bank he had stints in branch banking and also headed the human resource development and marketing functions. He also led the rebranding exercise of the bank from UTI to Axis Bank. In addition to the business functions in UTI, he was also responsible for the investor relations and corporate communications. He had also served on the board of directors of Bussan Auto Finance India Private Limited (a joint venture between Mitsui, Axis Bank and Yamaha India) – a non-banking financial company for financing of two wheelers. Prior to joining Axis Bank, Mr. Kaul was an officer with the State Bank of Bikaner & Jaipur. Presently, he is an independent management consultant advising financial institutions.

***Relationship with other Directors***

Mr. Vishal Gupta, Mr. Ankur Gupta and Mr. Varun Gupta are brothers. None of the other Directors are related to each other.

***Borrowing Powers of the Board***

Pursuant to the Articles of Association, the Board may from time to time, subject to the provisions of the Companies Act, raise or borrow, either from the Directors or from elsewhere and secure payment of any sum of money for the purpose of the Company; provided that the Board shall not, without the sanction of the Company in general meeting borrow any sum of money which together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed aggregate of the paid up capital and free reserves of the Company.

***Interest of the Directors***

All of the Directors may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings as well as to the extent of reimbursement of expenses payable to them. Mr. Vishal Gupta, the Managing Director and Mr. Ankur Gupta, the Joint Managing Director also may be deemed interested to the extent of remuneration paid to them for services rendered.

All of the Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms and trust, in which they are interested as directors, members, partners, trustees.

Our Directors may be deemed to be interested in the contracts, agreements or arrangements entered into or to be entered into by the Company with any partnership firm in which they are partners or a body corporate in which a director along with any other director holds more than 2% shareholding or is a promoter, manager or Chief Executive Officer. Please see "Related Party Transactions" in the section "Financial Statements" on page 172.

Except as disclosed in the "Related Party Transactions" in the section "Financial Statements" and otherwise stated in this Placement Document, we have not entered into any contract, agreement or arrangement during the preceding two years from the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements or arrangements which are proposed to be made with them.

As on the date of this Placement Document, none of the Directors have availed of any loan from the Company.

Except as disclosed in the "Related Party Transactions" in the section "Financial Statements" and otherwise stated in this Placement Document, the Company or its Subsidiaries have not purchased or leased any property in which the Directors or any entities associated with them had or has a direct or indirect interest or in respect of any payment thereof, except the following:

***Shareholding of Directors***

The following table sets forth the shareholding of the Directors as of December 31, 2014:

| Sr. No. | Name of Director | Number of Equity Shares as on December 31, 2014 |
|---|---|---|
| 1. | Mr. Vishal Gupta | 14,030,830 |
| 2. | Mr. Ankur Gupta | 20,245,020 |
| 3. | Mr. Varun Gupta | 20,248,140 |
| 4. | Mr. Abhishek Dalmia | Nil |
| 5. | Ms. Sonal Mattoo | Nil |
| 6. | Mr. Hemant Kaul | Nil |

***Terms of appointment of the executive Director(s)***

The current term of Mr. Vishal Gupta, Managing Director and Mr. Ankur Gupta, the Joint Managing Director is up to March 31, 2016 and the current term of Mr. Varun Gupta, Whole Time Director is up to June 30, 2017.

***Compensation of the Directors***

***Non-executive Directors***

**Remuneration paid to other Non-Executive Independent Directors**

Apart from sitting fee for attending Board Meetings, remuneration by way of commission of ₹ 0.8 million was paid to Mr. Hemant Kaul, Non-Executive Independent Director in the year 2013-14 and remuneration by way of commission of ₹ 1.05 million was paid to Mr. Ashok Kumar Mattoo, the erstwhile Non- Executive Director in the year 2013-14. However, other Non-Executive Independent Directors were not paid any remuneration other than sitting fees.

| Non-Executive Director(s) | Total Sitting Fees (including fixed commission) (In ₹ million) | | | |
|---|---|---|---|---|
| | For the Financial Year ended March 31 | | | |
| | 2015* | 2014 | 2013 | 2012 |
| Mr. Abhishek Dalmia | 0.001 | 0.002 | 0.004 | 0.004 |
| Ms. Sonal Mattoo | 0.002 | 0.003 | 0.003 | 0.004 |
| Mr. Hemant Kaul | 0.003 | 0.804 | - | - |
| Mr. Ashok Kumar Mattoo(1) | 0.001 | 1.05 | 0.004 | 0.004 |
| Mr. Lalit Kumar Chhawchharia(2) | 0.002 | 0.003 | 0.003 | 0.004 |

**The compensation payable is for the period during April 1, 2014 to December 31, 2014. Commission as a percentage of profits payable to the directors for the period has not been considered. Further, the fees payable to Directors for attending meetings of the Board and committees for FY 2015 has not yet been paid and will be payable at the end of the Fiscal year.*

(1) Mr. Ashok Kumar Mattoo resigned as a Director of the Company with effect from May 30, 2014.

(2) Mr. Lalit Kumar Chhawchharia resigned as a Director of the Company with effect from November 11, 2014.

***Executive Directors***

The details of remuneration payable to the executive directors, approved by the shareholders of our Company pursuant to a resolution dated August 8, 2012 and August 29, 2014 are as under:

**(In ₹ million)**

| Executive Director(s) | Salaries | Benefits | Bonus | Stock Options | Pension |
|---|---|---|---|---|---|
| Mr. Vishal Gupta | 4.80 | As per the terms and conditions approved by the shareholders of the Company. | Nil | Nil | Nil |
| Mr. Ankur Gupta | 4.80 | | Nil | Nil | Nil |
| Mr. Varun Gupta | 4.80 | | Nil | Nil | Nil |

The following table sets forth the compensation paid by our Company to Mr. Vishal Gupta, Mr. Ankur Gupta and Mr. Varun Gupta during the current Financial Year (to the extent applicable) and for the Financial Years ended March 31, 2014, 2013 and 2012:

| **Executive Director(s)** | **Total remuneration (including salary and other benefits) (In ₹ million)** | | | |
|---|---|---|---|---|
| | **For the Financial Year ended March 31** | | | |
| | **2015*** | **2014** | **2013** | **2012** |
| Mr. Vishal Gupta | 3.73 | 5.41 | 4.11 | 6.61 |
| Mr. Ankur Gupta | 4.94 | 8.26 | 4.11 | 6.61 |
| Mr. Varun Gupta | 3.79 | 5.01 | 4.11 | 6.61 |

**The compensation payable is for the period during April 1, 2014 to December 31, 2014. Commission as a percentage of profits payable to the directors for the period has not been considered. Further, the fees payable to Directors for attending meetings of the Board and committees for FY 2015 has not yet been paid and will be payable at the end of the Fiscal year.*

***Key Employees***

The following table sets forth details regarding our key employees as of the date of this Placement Document:

| **Sr. No.** | **Name of Key Employees** | **Designation** |
|---|---|---|
| 1. | Mr. Vikash Dugar | Chief financial officer |
| 2. | Mr. Shyamal Kumar Palit | Vice President - Implementation and execution of projects in construction and planning activities |
| 3. | Mr. Atma Sharan | Vice President - Implementation and execution of projects in facility management and senior living business |
| 4. | Mr. Kuldeep Gahlaut | Vice President - Human resources |
| 5. | Mr. Bhagwan Kumar | General Manager - Land and legal |
| 6. | Ms. Anupama Gulati | General Manager - Sales |
| 7. | Mr. Nitin Sharma | Company secretary |

***Biographies of the Key Employees***

**Mr. Vikash Dugar - Chief Financial Officer**

Mr. Vikash Dugar, aged 39 years, was appointed as Chief Financial Officer of our Company in September, 2014. He is a member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Insurance Institute of India. He is also a professional member of All India Management Association and Indian Council of Arbitration. He has graduated from the Shriram College of Commerce, Delhi. He has around 16 years of experience in various verticals of finance, business partnering and analytics, general management, strategy, risk management, systems implementation, audits and management assurance services, corporate governance across a wide spectrum of industry verticals. Prior to joining our Company, he was working with Vodafone as Head – Finance. His earlier stints include NIIT Limited and Tata Power Delhi Distribution Limited (Formerly known as North Delhi Power Limited – a joint venture of Tata Power Limited and Government of NCT of Delhi). He is looking after all accounting, financing, taxation, corporate laws, secretarial and IT functions of our Company.

**Mr. Shyamal Kumar Palit - Vice President - Implementation and Execution of Projects in Construction and Planning Activities**

Mr. Shyamal Kumar Palit, aged 52 years, was appointed as Vice President – Operations of our Company. He is in charge of construction and planning activities of our Company and has 28 years of experience in this field. He is a certified chartered engineer from the Institute of Chartered Engineers, India. Mr. Palit was previously employed with Hyundai Corporation in Kuwait. He is associated with our Company since the last 22 years.

**Mr. Atma Sharan - Vice President - Implementation and Execution of Projects in Facility Management and Senior Living Business**

Mr. Atma Sharan, aged 54 years, was appointed as Vice President heading our Subsidiary Ashiana Maintenance Services Limited. He is responsible for the facility management and active senior living business. He is an alumnus of

IIM, Ahmedabad. He has also completed six month residential certification course in business management from March to August 2007 and qualified in a defense automotive instructor's course from February to July 1983 which is eligible for a diploma in automotive engineering from the University of Pune. After a career in the defence forces, he joined our Company in October 2007. He headed the sales and marketing operations of the Company before taking up his present assignments since February 2010.

**Mr. Kuldeep Gahlaut - Vice President - Human Resources**

Mr. Kuldeep Gahlaut, aged 50 years, is our Vice President – Human Resources. Mr. Gahlaut is a retired Colonel from Indian Army. He holds a master's degree in defence studies and a post graduate diploma in business management from XLRI, Jamshedpur. He is associated with our Company for the last 5 years.

**Mr. Bhagwan Kumar - General Manager - Land and Legal**

Mr. Bhagwan Kumar, aged 44 years, is the General Manager – Land and Legal of our Company. Mr. Kumar is an associate member of the Institute of Company Secretary of India and a law graduate from Delhi University. He is also responsible for all land related and legal affairs of our Company. He has been associated with our Company since the last nine years.

**Ms. Anupama Gulati - General Manager - Sales**

Ms. Anupama Gulati, aged 45 years, is our General Manager, Sales. She holds a bachelor's degree in electronics and tele–communications from Maulana Azad College of Technology. She comes from the senior most batch of the 'Women Officers' in the Indian Air Force. She is associated with our Company since the last five years.

**Mr. Nitin Sharma - Company Secretary**

Mr. Nitin Sharma, aged 36 years, was appointed as the company secretary of our Company in May, 2014. He is member of the Institute of Company Secretaries of India and has a law degree from Dr. Bhimrao Ambedkar University. He has been associated with our Company for the last eight years. During his career, he has been handling all secretarial and legal work of our Company.

***Shareholding Details of the Key Employees***

As on January 16, 2015 Mr. Shyamal Kumar Palit holds 4,000 Equity Shares of the Company.

***Interest of Key Employees***

The key employees of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and banking relations undertaken by them in the ordinary course of business and to the extent of the Equity Shares and stock options held by them or their dependants in our Company, if any.

***Corporate Governance***

The Board of Directors presently consists of six Directors. In compliance with the requirements of the Listing Agreement, the Board of Directors consists of three Independent Directors.

***Committees of the Board of Directors***

In line with the requirements of the provisions of the Companies Act, clause 49 of the Listing Agreement as also the extant guidelines of RBI, our Board has constituted various committees as detailed below. Their constitution is for a more specific and focused approach towards some of the important functional areas of the Company's operations, for providing proper direction, effective monitoring and controlling the affairs of the Company. The committees are as follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Grievance Committee
4. Corporate Social Responsibility Committee

5. Executive Committee
6. Risk Management Committee

**Audit Committee**

| Sr. No | Member | Designation |
|---|---|---|
| 1. | Mr. Hemant Kaul | Chairman |
| 2. | Ms. Sonal Mattoo | Member |
| 3. | Mr. Varun Gupta | Member |

**Nomination and Remuneration Committee**

| Sr. No | Member | Designation |
|---|---|---|
| 1. | Mr. Hemant Kaul | Chairman |
| 2. | Ms. Sonal Mattoo | Member |
| 3. | Mr. Abhishek Dalmia | Member |

**Stakeholder Grievance Committee**

| Sr. No | Member | Designation |
|---|---|---|
| 1. | Ms. Sonal Mattoo | Chairperson |
| 2. | Mr. Vishal Gupta | Member |
| 3. | Mr. Varun Gupta | Member |

**Corporate Social Responsibility Committee**

| Sr. No | Member | Designation |
|---|---|---|
| 1. | Mr. Vishal Gupta | Chairman |
| 2. | Mr. Abhishek Dalmia | Member |
| 3. | Ms. Sonal Mattoo | Member |

**Executive Committee**

| Sr. No | Member | Designation |
|---|---|---|
| 1. | Mr. Vishal Gupta | Member |
| 2. | Mr. Ankur Gupta | Member |
| 3. | Mr. Varun Gupta | Member |

**Risk Management Committee**

| Sr. No | Member | Designation |
|---|---|---|
| 1. | Mr. Varun Gupta | Chairman |
| 2. | Mr. Ankur Gupta | Member |
| 3. | Mr. Vikash Dugar | Member |

**Policy on disclosures and internal procedure for prevention of insider trading**

Regulation 9(1) of the SEBI Insider Trading Regulations applies to the Company and its employees and requires the Company to implement a code of internal procedures and conduct for the prevention of insider trading. The Company has adopted a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations.

The Board of Directors has adopted a code of conduct for the Directors and senior executives of the Company. The object of the code of conduct is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The code of conduct sets out a broad policy for one's conduct in dealing with the Company, fellow Directors and with the environment in which the Company operates. The code is available on the Company's website

**Other confirmations**

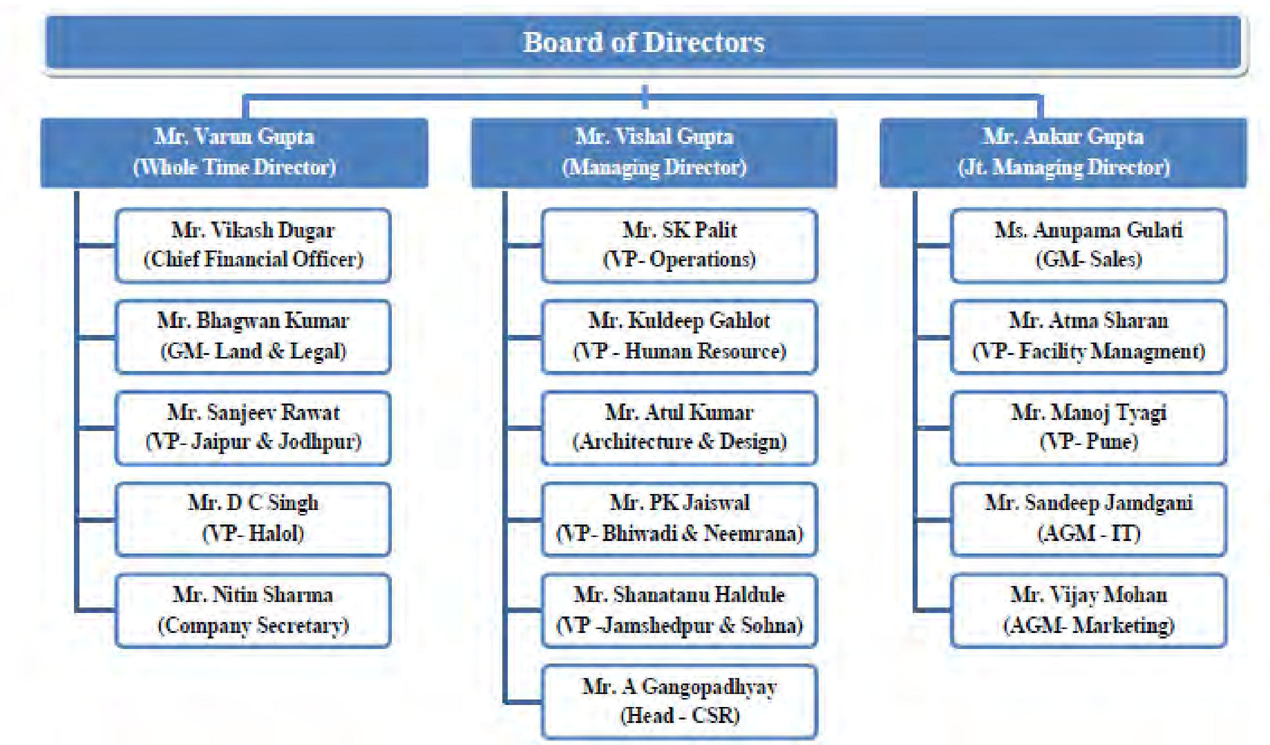
Except as otherwise stated in this Placement Document, none of the Directors, nor any key employee of the Company has any financial or other material interest in the Issue.

**Related Party Transactions**

For details in relation to the related party transactions entered into by the Company during the last three Financial Years, as per the requirements under Accounting Standard 18 issued by the Institute of Chartered Accountants of India, see the section "Financial Statements" on page 172.

**Management Organisational Structure**

The organizational structure of our Company is as represented in the chart below:



## PRINCIPAL SHAREHOLDERS

The following table sets forth the shareholding pattern as on December 31, 2014:

| S. No. | Category of Shareholder | No. of shareholders | Total No. of Equity Shares | Total No. of Equity Shares held in Dematerialized form | Total shareholding as a % of total no. of Equity Shares | | Equity shares pledged or otherwise encumbered | |
|---|---|---|---|---|---|---|---|---|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | Number of Equity Shares | As a % of Total No. of Equity Shares |
| **(A)** | **Shareholding of Promoter and Promoter Group** | | | | | | | |
| **(1)** | **Indian** | | | | | | | |
| | Individuals/Hindu Undivided Family | 4 | 6,073,4475 | 6,073,4475 | 65.27 | 65.27 | 0 | 0.00 |
| | Central Govt./State Govt. | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.0 |
| | Bodies Corporate | 1 | 1,738,285 | 1,738,285 | 1.87 | 1.87 | 0 | 0.00 |
| | Financial Institutions/ Banks | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Any other(specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| | (i) Trust | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| | (ii) Relatives/ Friends of Promoter | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| | **Any other total** | | | | | | | |
| | **Sub Total (A)(1)** | 5 | 62,472,760 | 62,472,760 | 67.14 | 67.14 | 0 | 0.00 |
| **(2)** | **Foreign** | | | | | | | |
| | Individuals (Non-Resident Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Institutions | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Any Others (Specify) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | (i) Group Company | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | **Any other total** | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | **Sub Total (A) (2)** | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | **Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)** | 5 | 62,472,760 | 62,472,760 | 67.14 | 67.14 | 0 | 0.00 |
| **(B)** | **Public Shareholding** | | | | | | | |
| **(1)** | **Institutions** | | | | | | | |
| | Mutual funds/ UTI | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Financial Institutions/ Banks | 4 | 8,371 | 4,871 | 0.01 | 0.01 | 0 | 0.00 |
| | Central Govt./State Govt. | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Insurance Companies | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Foreign institutional Investors | 7 | 3,152,667 | 2,982,917 | 3.39 | 3.39 | 0 | 0.00 |
| | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Any Other(Specify) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Any Other Total | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | **Sub Total(B)(1)** | 11 | 3,161,038 | 2,987,788 | 3.40 | 3.40 | 0 | 0.00 |

| S. No. | Category of Shareholder | No. of shareholders | Total No. of Equity Shares | Total No. of Equity Shares held in Dematerialized form | Total shareholding as a % of total no. of Equity Shares | | Equity shares pledged or otherwise encumbered | |
|---|---|---|---|---|---|---|---|---|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | Number of Equity Shares | As a % of Total No. of Equity Shares |
| **(2)** | **Non-Institutions** | | | | | | | |
| | Bodies Corporate | 222 | 7,120,474 | 71,202,974 | 7.65 | 7.65 | 0 | 0.00 |
| | **Individuals** | | | | | | | |
| | Individual shareholders holding nominal share capital up to 0.1 million | 9,998 | 14,823,256 | 7,312,501 | 15.93 | 15.93 | 0 | 0.00 |
| | Individual shareholders holding nominal share capital in excess of 0.1 million | 26 | 4,544,399 | 4,456,899 | 4.88 | 4.88 | 0 | 0.00 |
| | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | **Any others(specify)** | | | | | | | |
| | Directors and their relatives | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Hindu Undivided Families | 166 | 421,812 | 421,812 | 0.45 | 0.45 | 0 | 0.00 |
| | Non-resident Indians | 219 | 482,887 | 391,137 | 0.52 | 0.52 | 0 | 0.00 |
| | Clearing members | 51 | 23,149 | 23,149 | 0.02 | 0.02 | 0 | 0.00 |
| | Trusts | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Overseas Corporate Bodies | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Foreign Corporate Bodies | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Any Other Total | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | **Sub Total(B)(2)** | 10,682 | 27,415,977 | 19,708,472 | 29.46 | 29.46 | 0 | 0.00 |
| | **Total Public Shareholding(B)= (B)(1)+(B)(2)** | 10,693 | 3,0577,015 | 22,696,260 | 32.86 | 32.86 | 0 | 0.00 |
| | **Total(A+B)** | 10,698 | 93,049,775 | 85,169,020 | 100.00 | 100.00 | 0 | 0.00 |
| **(C)** | **Shares held by Custodians and against which Depository Receipts have been issued** | | | | | | | |
| **(1)** | **Promoter and Promoter Group** | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| **(2)** | **Public** | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | **Sub Total** | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | **Total (A)+(B)+(C)** | **10,698** | **93,049,775** | **85,169,020** | **100.00** | **100.00** | **0** | **0.00** |

The following table sets forth the shareholding of the Promoter and Promoter Group as on December 31, 2014:

| Sr. No. | Name of the shareholder | Total Equity Shares held | |
|---|---|---|---|
| | | Number | Total shareholding as a % of total number of Equity Shares |
| 1. | Mr. Vishal Gupta | 14,030,830 | 15.08% |
| 2. | Mr. Ankur Gupta | 20,245,020 | 21.76% |
| 3. | Mr. Varun Gupta | 20,248,140 | 21.76% |

| Sr. No. | Name of the shareholder | Total Equity Shares held | |
|---|---|---|---|
| | | Number | Total shareholding as a % of total number of Equity Shares |
| 4. | Mrs. Rachna Gupta | 6,210,485 | 6.67% |
| 5. | M/s. OPG Realtors Limited | 1,738,285 | 1.87% |
| | **Total** | **62,472,760** | **67.14%** |

The following table sets forth the shareholding of persons belonging to the category "Public" and holding more than 1.00% of the total number of Equity Shares as at December 31, 2014:

| Sr. No. | Name of the shareholder | Number of Equity Shares | Total Shareholding as a % of total number of Equity Shares |
|---|---|---|---|
| 1. | M3 Investment Private Limited | 3,928,615 | 4.22% |
| 2. | HSBC Bank (Mauritius) Limited A/C – Jwalamukhi Investment Holdings | 2,642,587 | 2.84% |
| 3. | Cellour Commercial Private Limited | 1,028,066 | 1.10% |
| 4. | Ashish Kacholia | 978,060 | 1.06% |
| | **Total** | **8,577,328** | **9.22%** |

## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from the Company or the BRLM. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "Selling Restrictions" and "Transfer Restrictions" on page 139 and 144, respectively.*

***Qualified Institutions Placement***

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013, through the mechanism of a QIP. Under Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company may issue equity shares to QIBs provided that certain conditions are met by the company. Certain of these conditions are set out below:

1. The shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must specify that (a) the Allotment of securities is proposed to be made pursuant to the QIP and (b) the relevant date;

2. Equity shares of the same class of such issuer, which are proposed to be Allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;

3. The aggregate of the proposed issue and all previous qualified institutions placements made by the issuer in the same Financial Year does not exceed five times the net worth (as defined in the SEBI Regulations) of the issuer as per the audited balance sheet of the previous Financial Year;

4. The issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;

5. The issuer shall have completed Allotments with respect to any offer or invitation made by the issuer or shall have withdrawn or abandoned any invitation or offer made by the issuer;

6. The issuer shall offer to each Allottee at least such number of the securities in the issue which would aggregate to ₹ 20,000 calculated at the face value of the securities;

7. The explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis of justification for the price (including premium, if any) at which the offer or invitation is being made;

8. The offer must be made through private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the offer is made and is sent within 30 days of recording the names of such QIBs;

9. Prior to circulating the private placement letter, the issuer must prepare and record a list of QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscriber; and

10. The offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the issue is prohibited.

At least 10% of the equity shares issued to QIBs must be Allotted to Mutual Funds, provided that, if this portion, or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be Allotted to other QIBs. QIBs have been specifically defined under Regulation 2(1)(zd) of the SEBI Regulations.

Prospective purchasers will be deemed to have represented to us and the BRLM in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an offshore transaction in accordance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For further details, please refer to the chapters titled "*Selling Restrictions*" and "*Transfer Restrictions*".

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI Regulations.

The "relevant date" in case of Allotment of equity shares, refers to the date of the meeting in which the Board of Directors or the committee of Directors duly authorised by the Board of the issuer decides to open the proposed issue. And "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

Securities must be Allotted within 12 months from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the relevant QIBs.

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of the Company with a disclaimer to the effect that it is in connection with an issue to QIBs and offer is not being made to the public or any other category of investors. The minimum number of Allottees for each QIP shall not be less than:

- Two, where the issue size is less than or equal to ₹2,500 million; and
- Five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the issue size or less than ₹ 20,000 of face value of Equity Shares. QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee. For details of what constitutes "same group" or "common control", see "Application Process" -Application Form".

The aggregate of the proposed QIP and all previous QIPs made in the same Financial Year shall not exceed five times the net worth of the Issuer as per its audited balance sheet of the previous Financial Year. The Issuer shall furnish a copy of the preliminary placement document and the placement document to each stock exchange on which its equity shares are listed.

We have applied for and received in-principle approval of Stock Exchanges under Clause 24(a) of the Listing Agreement for listing of the Equity Shares on the Stock Exchanges. We have also filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Issue has been authorised and approved by the Board on Novemeber 11, 2014 and approved by the shareholders of the Company pursuant to a resolution passed through voting by postal ballot on January 10, 2015.

Securities Allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of Allotment except on the floor of a recognised stock exchange in India.

**The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and unless so registered may not**

**be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. For a description of certain restrictions on transfer of the Equity Shares, please see the section "Transfer Restrictions" on page 144.**

***Issue Procedure***

1. The Company and the BRLM shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to the QIBs and the Application Form will be specifically addressed to such QIBs. In terms of Section 42(7) of the Companies Act, 2013, the Company shall maintain complete records of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. The Company will make the requisite filings with RoC and SEBI within the stipulated time period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such eligible QIB**. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Bidders shall submit Bids for, and the Company shall issue and Allot to each Allottee, at least such number of Equity Shares in the Issue which would aggregate to ₹ 20,000 calculated at the face value of the Equity Shares.

4. QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the BRLM.

5. QIBs will be required to indicate the following in the Application Form:

   - Full name of the QIB to whom Equity Shares are to be Allotted;

   - Number of Equity Shares Bid for;

   - Price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price"; which shall be any price as may be determined by the Company in consultation with the Book Running Lead Managers at or above the Floor Price as approved in accordance with SEBI Regulations. The Company has offered a discount of up to 3.16% to the Floor Price in accordance with the proviso of Regulation 85(1) of the SEBI Regulations;

   - Details of the depository account to which the Equity Shares should be credited; and

   - A representation that it is outside the United States at the time it places its buy order for the Equity Shares, it is acquiring the Equity Shares in an offshore transaction in reliance on Regulation S and it has agreed to certain other representations set forth in the section "Representations by Investors" and "Transfer Restrictions" on page 3 and 144, respectively, of this Placement Document and certain other representations made in the Application Form.

   **Note: Each sub-account of an FII other than a sub-account which is a foreign corporate or a foreign individual will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids.**

6. Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI. All such bids/applications by or on behalf of the various schemes of a Mutual Fund shall be treated as a single application.

7. Upon receipt of the Application Form, after the Bid/Issue Closing Date, the Company shall determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue in consultation with the BRLM. Upon determination of the final terms of the Equity Shares, the BRLM will send the serially numbered CAN along with this Placement Document to the QIBs who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIB to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB. **Please note that the Allocation will be at the absolute discretion of the Company and will be based on the recommendation of the BRLM.**

8. Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our designated bank account by the Pay-In Date as specified in the CAN sent to the respective QIBs. No payment shall be made by QIBs in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares and the Company shall keep a record of the bank account from where such payment for subscriptions have been received. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by the Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013.

9. Upon receipt of the application monies from the QIBs, the Company shall Allot Equity Shares as per the details in the CAN sent to the QIBs.

10. After passing the resolution for Allotment and prior to crediting the Equity Shares into the Depository Participant accounts of the successful Bidders, the Company shall apply to Stock Exchanges for listing approval. The Company will intimate to the Stock Exchanges the details of the Allotment and apply for approval for listing of the Equity Shares on Stock Exchanges prior to crediting the Equity Shares into the beneficiary account of successful Allottees maintained with the Depository Participant by the QIBs.

11. After receipt of the in-principle approval of Stock Exchanges for the listing of the Equity Shares, the Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees.

12. The Company will then apply for the final trading approval from Stock Exchanges.

13. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approval from Stock Exchanges.

14. The Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permission from Stock Exchanges or any loss arising from such delay or non- receipt. Final listing and trading approval granted by Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or the Company.

***Qualified Institutional Buyers***

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations are eligible to invest. Currently, under Regulation 2(1)(zd) of the SEBI Regulations, a QIB means:

- Public financial institutions as defined in Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);

- Scheduled commercial banks;
- Mutual Fund;
- Eligible FPIs;
- Multilateral and bilateral development financial institutions;
- Venture capital funds registered with SEBI;
- Foreign venture capital investors registered with SEBI;
- Alternate investment funds registered with SEBI;
- State industrial development corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident funds with minimum corpus of ₹ 250.00 million;
- Pension funds with minimum corpus of ₹ 250.00 million;
- The National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India; and
- Insurance funds set up and managed by the Department of Posts, India.

***FIIs (other than a sub-account which is a foreign corporate or a foreign individual) and Eligible FPIs shall participate in this Issue under Schedule 2 and Schedule 2A of FEMA 20, respectively. FIIs and Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs and FIIs does not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule 1 of the FEMA 20 and shall make the payment of application money through the foreign currency non-resident (FCNR) account and not through the special non-resident rupee (SNRR) account.***

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA 20, the total holding by each FPI shall be below 10% of our total paid-up Equity Share capital and the total holdings of all FPIs put together shall not exceed 24% of our paid-up Equity Share capital. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of the Company. For further details in relation to the foreign investment limit of the Company, see the section "Key Industry Regulations and Policies in India – Laws relating to Foreign Investment" on page 114.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Subject to trailing condition, an FII or sub-account of an FII may participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. If the registration of the FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Allotments made to FVCIs, VCFs and AIFs are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

Under Regulation 86(1)(b) of the SEBI Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the promoter:

- Rights under a shareholders' agreement or voting agreement entered into with the Promoter or persons related to the Promoter;
- Veto rights; or
- A right to appoint any nominee director on the Board

Provided, however, that a QIB which does not hold any shares in us and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

***We and the BRLM are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations.***

**A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.**

***Note:*** *Affiliates or associates of the BRLM who are QIBs may participate in the Issue in compliance with applicable laws.*

***Application Process***

***Application Form***

QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by the Company and the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Placement Document, the QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under the sections "Notice to Investors", "Representations by Investors", "Selling Restrictions" and "Transfer Restrictions" on page 1, 3, 139 and 144, respectively:

1. The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI Regulations and is not excluded under Regulation 86(1)(b) of the SEBI Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the promoter or persons related to the promoter, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

4. The QIB acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;

5. The QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The QIB confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Regulations;

8. The QIB confirms that to the best of its knowledge and belief together with other QIBs in the Issue that belongs to the same group or are under same control, the Allotment to the QIB shall not exceed 50% of the Issue Size. For the purposes of this statement:

   (a) The expression "belongs to the same group" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956;

   (b) "Control" shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations.

9. The QIBs shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; and

10. The QIB confirms that it is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and it shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India. It also confirms all other applicable representations and warranties included under "Representations by Investors", "Notice to Investors", "Selling Restrictions" and "Transfer Restrictions" at pages 3, 1, 139 and 144, respectively of this Placement Document.

***QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PAN, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, E-MAIL ID, BANK ACCOUNT DETAILS FROM WHICH PAYMENTS IN THE ISSUE IS BEING MADE AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.***

***Independent eligible QIBs***

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the QIB upon issuance of the CAN by us in favour of the QIB.

***Submission of Application Form***

All Application Forms must be duly completed with information including the name of the QIB and the number of Equity Shares applied for. The Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at the following address:

| Name of the Book Running Lead Manager | Address | Contact Person | Email | Telephone and Fax |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Religare Capital Markets Limited | 901, 9th Floor, Tower I, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinston Road, Mumbai – 400 013 | Abhijit Tripathi | project.tiger@religare.com | +91 22 6766 3662<br><br>+91 22 6766 3575 |

The BRLM shall not be required to provide any written acknowledgement of the same.

***Permanent Account Number or PAN***

Each QIB should mention its PAN Allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

***Bank Account Details***

Each QIB shall mention the details of the bank account from which the payment has been made along with a confirmation that the payment has been made from such account.

***Pricing and Allocation***

***Build-up of the Book***

The QIBs shall submit their Bids (including the revision of bids) within the Bidding Period to the BRLM and Bids cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the BRLM.

***Price Discovery and Allocation***

The Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price. The Company has offered a discount of up to 3.16% to the Floor Price in accordance with the proviso of Regulation 85(1) of the SEBI Regulations.

After finalisation of the Issue Price, the Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

***Method of Allocation***

The Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VIII of the SEBI Regulations.

Application Forms received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

***THE DECISION OF THE COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF THE COMPANY AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER THE COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.***

All Application Forms duly completed along with payment and a copy of the PAN card or PAN Allotment letter shall be submitted to the BRLM as per the details provided in the respective CAN.

***CAN***

Based on the Application Forms received, we, in consultation with the BRLM, in our sole and absolute discretion, decide the QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such QIBs. Additionally, a CAN will include details of the relevant Escrow Agent Account into which such payments would need to be made, address where the application form needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective QIB's account.

The eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the BRLM and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

***QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.***

***Bank Account for Payment of Application Money***

We have opened the "Ashiana Housing Limited – QIP Escrow Account" with HDFC Bank Limited in terms of the arrangement among us, the BRLM and HDFC Bank Limited as escrow agent. The QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the "Ashiana Housing Limited – QIP Escrow Account" within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

We undertake to utilise the amount deposited in "Ashiana Housing Limited – QIP Escrow Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if we have not been able to Allot Equity Shares in the Issue.

In case of cancellations or default by the QIBs, we and the BRLM have the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion.

***Payment Instructions***

The payment of application money shall be made by the QIBs in the name of "Ashiana Housing Limited – QIP Escrow Account" as per the payment instructions provided in the CAN.

Payments are to be made only through electronic fund transfer.

**Note: Payments through cheques are liable to be rejected.**

***Designated Date and Allotment of Equity Shares***

The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the "Ashiana Housing Limited – QIP Escrow Account"as stated above.

In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

In relation to QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, the Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. If you are Allotted any Equity Shares, our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI.

The Escrow Agent shall release the monies lying to the credit of the Escrow Agent Account to the Company after the receipt of the final listing and trading approval.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, we shall repay the application money within 15 days from expiry of 60 days, failing which we shall repay that money with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by us shall be refunded to the same bank account from which application money was remitted by the QIBs.

***Other Instructions***

***Right to Reject Applications***

We, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of the Company and the BRLM in relation to the rejection of Bids shall be final and binding.

***Equity Shares in Dematerialised form with NSDL or CDSL***

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

A QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

The Company and the BRLM will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the QIB.

## PLACEMENT

### Placement Agreement

The BRLM has entered into a placement agreement with our Company dated February 3, 2015 (the "**Placement Agreement**"), pursuant to which the BRLM has agreed to procure subscriptions for the Equity Shares on a reasonable efforts basis, from QIBs, pursuant to Section 42 of Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations.

The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and the BRLM, and is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

### Relationship with the BRLM

In connection with the Issue, the BRLM (or its affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the BRLM may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLM may purchase Equity Shares or be Allocated Equity Shares for proprietary purposes and not in with a view to distribution or in connection with the issuance of P-Notes. See "Representations by Investors – Offshore Derivative Instruments" on page 7.

From time to time, the BRLM and its affiliates may engage in transactions with and perform services for the Company, group companies or affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Company and its group companies or affiliates, for which they have received compensation and may in the future receive compensation.

### Lock-up

The Promoters and Promoter Group, jointly and severally, agrees that, without the prior written consent of the BRLM, he or it will not, and will not announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the Lock-up Period, directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, lend or otherwise transfer or dispose of directly or indirectly, any Equity Shares, including but not limited to any options or warrants to purchase any Equity Shares, or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Equity Shares or enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or deposit any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase Equity Shares, in any depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depositary receipt facility. However, the foregoing restrictions shall not be applicable if any of the actions mentioned above are required to be undertaken pursuant to any employee stock option scheme or inter-se transfers between promoter group or any change in applicable law, or a direction of a court of law or the Reserve Bank of India post the date of execution of the Placement Agreement.

In addition, each the promoter and promoter group, jointly and severally, agrees that, without the prior written consent of the BRLM, he or it will not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration or sale or deposition of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

The Company has undertaken that it will not for a period commencing the date hereof and ending 180 days from the date of Allotment, without the prior written consent of the Book Running Lead Manager, directly or indirectly:

(a) offer, sell, issue, contract to issue, sell, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act , with respect to any of the foregoing, or

(b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or

(c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or

(d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

## SELLING RESTRICTIONS

*The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of this Placement Document are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorized or permitted.*

### General

No action has been or will be taken in any jurisdiction by our Company or the BRLM that would permit a public offering of the Equity Shares to occur in any jurisdiction or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares in the Issue may not be offered or sold, directly or indirectly and neither this Placement Document nor any other offering material or advertisements in connection with the offering of the Equity Shares issued pursuant to the Issue may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on our Company or the BRLM. The Issue will be made in compliance with the SEBI Regulations. Each subscriber of the Equity Shares in the Issue will be required to make, or will be deemed to have made, as applicable, the acknowledgments and agreements as described under the sections "Notice to Investors", "Selling Restrictions" and "Transfer Restrictions" on page 1, 139 and 144, respectively of this Placement Document.

### India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to eligible QIBs and is not an offer to the public. The Issue is a "private placement" within the meaning of Section 42 of the Companies Act, 2013 since the invitation or offer is to be made only to QIBs. The Preliminary Placement Document/ Placement Document is neither a public issue nor a prospectus under the Companies Act, 2013, or an advertisement and should not be circulated to any person other than to whom the offer is made. This Placement Document has not been and will not be registered as a prospectus with the Registrar of Companies in India.

### Australia

This Placement Document is not a disclosure document under Chapter 6D of the Corporations Act 2001 (the "**Australian Corporations Act**"), and has not been lodged with the Australian Securities & Investments Commission and does not purport to include the information required of a disclosure document under the Australian Corporations Act. (i) The offer of the Equity Shares under this Placement Document is only made to persons to whom it is lawful to offer the Equity Shares without disclosure to investors under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in Section 708 of the Australian Corporations Act; (ii) this Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Share sold to the offeree within 12 months after their issue or transfer to the offeree under this Placement Document.

### Cayman Islands

No offer or invitation to purchase Equity Shares may be made to the public in the Cayman Islands.

### European Economic Area (including Liechtenstein, Iceland and Norway)

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), an offer may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member

State (the "**Relevant Implementation Date**"), make an offer of Equity Shares to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (i) an average of at least 250 employees during the last Financial Year, (ii) a total balance sheet of more than €50,000,000, as show in its last annual consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the BRLM for any such offer; or

- in any other circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

provided that no such offer of Equity Shares shall result in a requirement for the publication by our Company or the BRLM of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means, of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

**Hong Kong**

No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

**Japan**

The offering of the Equity Shares has not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the "**Financial Instruments and Exchange Law**"). No Equity Shares have been offered or sold, and will not be offered or sold, directly or in directly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and otherwise in compliance with the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial ordinances of Japan.

**Korea**

The Equity Shares have not been registered under the Korean Securities and Exchange Law, and the Equity Shares acquired in connection with the distribution contemplated hereby may not be offered or sold, directly or indirectly, in Korea or to or for the account of any resident thereof, except as otherwise permitted by applicable Korean laws and regulations, including, without limitation, the Korean Securities and Exchange Law and the Foreign Exchange Transaction Laws.

**Kuwait**

The Equity Shares have not been authorized or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

**Malaysia**

No approval of the Securities Commission of Malaysia has been or will be obtained in connection with the offer and sale of the Equity Shares in Malaysia nor will any prospectus or other offering material or document in connection with the offer and sale of the Equity Shares be registered with the Securities Commission of Malaysia. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia.

**New Zealand**

This Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Placement Document, each investor represents and warrants that if they receive this Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Placement Document to any person who is not also a Habitual Investor.

**People's Republic of China**

This Placement Document, may not be circulated or distributed in the People's Republic of China and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or resale directly or indirectly to any resident of the People's Republic of China except pursuant to applicable laws and regulations of the People's Republic of China. The BRLM has represented and agreed that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Equity Shares in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) as part of the Issue. We do not represent that this Placement Document may be lawfully distributed, or that any Equity Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the People's Republic of China, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us which would permit a public offering of any Equity Shares or distribution of this document in the People's Republic of China. Accordingly, the Equity Shares are not being offered or sold within the People's Republic of China by means of this Placement Document or any other document. Neither this Placement Document nor any advertisement or other offering material may be distributed or published in the People's Republic of China, except under circumstances that will result in compliance with any applicable laws and regulations.

**Qatar**

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the state of Qatar in a manner that would constitute a public offering. This Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than recipient thereof.

**Singapore**

The BRLM has acknowledged that this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the BRLM has represented and agreed that it has not offered or sold any Equity Shares issued pursuant to the Issue or caused such Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Equity Shares issued pursuant to the Issue or cause such Equity Shares to be made the subject of an invitation for subscription or purchase, and have not circulated or distributed, nor will they circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Equity Shares issued pursuant to the Issue, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 by a relevant person which is:

- a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation to the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except:

- to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- where no consideration is or will be given for the transfer;

- where the transfer is by operation of law; or

- as specified in Section 276(7) of the SFA.

**Switzerland**

This Placement Document does not constitute an issue prospectus pursuant to Art. 652a of the Swiss Code of Obligations. The Equity Shares will not be listed on the SWX Swiss Exchange, and therefore, this Placement Document does not comply with the disclosure standards of the Listing Rules of the SWX Swiss Exchange. Accordingly, the Equity Shares may not be offered to the public in or from Switzerland, but only to a selected and limited group of investors, which do not subscribe the Shares with a view to distribution to the public. The investors will be individually approached by the BRLM. This Placement Document is personal to each offeree and does not constitute an offer to any other person. This Placement Document may only be used by those persons to whom it has been handed out in connection with the offer described herein and may neither directly nor indirectly be distributed or made available to other persons without the express consent of our Company. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

**United Arab Emirates**

This Placement Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (the "**UAE**"). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange. the Issue, the Equity Shares and interests therein do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. This Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to the public in the UAE.

By receiving this Placement Document, the person or entity to whom this Placement Document has been issued understands, acknowledges and agrees that the Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or sale of securities. The Dubai Financial Services Authority has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it.

**United Kingdom**

The BRLM has represented and agreed that it:

- is a person who is a qualified investor within the meaning of Section 86(7) of the Financial Services and Markets Act 2000 (the "**FSMA**"), being an investor whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business;

- has not offered or sold and will not offer or sell the Equity Shares other than to persons who are qualified investors within the meaning of Section 86(7) of the FSMA or who it reasonably expects will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Equity Shares would otherwise constitute a contravention of Section 19 of the FSMA by us;

**United States of America**

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

## TRANSFER RESTRICTIONS

*Resale of Equity Shares, except on the floor of the Stock Exchanges, is not permitted for a period of one year from the date of Allotment, pursuant to Chapter VIII of the SEBI Regulations. Since the following additional restrictions will apply, investors are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares.*

*Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Subject to the foregoing, by accepting this Placement Document and purchasing any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed with the Company and the BRLM as follows:*

- you have received a copy of the Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or the representation concerning the Company or the Equity Shares and neither the Company nor any other person responsible for this document or any part of it or the BRLM will have any liability for any such other information or representation;

- you are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and you agree that you will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transactions complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;

- you are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

- you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that such Equity Shares have not been and will not be registered under the U.S. Securities Act;

- you certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and are located outside the United States (within the meaning of Regulation S) or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S); and

- the Company, the BRLM, their respective affiliates and others will rely upon the truth and accuracy of your representations, warranties, acknowledgements and undertakings set out in this document, each of which is given to (a) the BRLM on their own behalf and on behalf of the Company, and (b) to the Company, and each of which is irrevocable and, if any of such representations, warranties, acknowledgements or undertakings deemed to have been made by virtue of your purchase of the Equity Shares are no longer accurate, you will promptly notify the Company.

Any resale or other transfer or attempted resale or other transfer, made other than in compliance with the above stated restrictions will not be recognised by the Company.

# THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by the Company or the BRLM or any of their respective affiliates or advisors.*

**The Indian Securities Market**

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai.

**Stock Exchange Regulation**

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA, the SCRR, the SEBI Act, the Depositories Act, the Companies Act, and various rules and regulations framed thereunder.

On June 20, 2012, the SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Rules, which regulate *inter alia*, the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act, under which the SEBI was established by the Government, grants the SEBI powers to promote, develop and regulate the Indian securities markets, including stock exchanges and other financial intermediaries in the capital markets, to protect the interests of investors, to promote and monitor self-regulatory organisations, to prohibit fraudulent and unfair trade practices and insider trading and to regulate substantial acquisitions of shares and takeovers of companies. The SEBI has also issued regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisition of shares and takeovers of companies, buyback of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, Mutual Funds, FIIs, credit rating agencies and other capital market participants.

**Listing and Delisting of Securities**

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI and the listing agreements of the respective stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non- compliance with any conditions or breach of company's obligations under such listing agreement or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. In the event that a suspension of a company's securities continues for a period in excess of three months, the company may appeal to the Securities Appellate Tribunal, which has the power to vary or set aside the decision of the stock exchange in this regard.SEBI also has the power to amend such equity listing agreements and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

**Minimum Level of Public Shareholding**

Pursuant to an amendment of the SCRR in June 2010, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has amended the listing agreement and has provided several mechanisms to comply with this requirement. We are in compliance with the minimum public shareholding requirement.Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of twelve months from the date of such fall in the manner specified by SEBI.

**Index-Based Market-Wide Circuit Breaker System**

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

**BSE**

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India.

**NSE**

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

**Internet-based Securities Trading and Services**

The SEBI approved internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems.

Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

**Trading Hours**

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). NSE and BSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

**Trading Procedure**

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called 'National Exchange for Automated Trading' ("**NEAT**"), which operates on strict time/price priority.

**Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies are governed by the Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company.

If an acquirer (together with any persons acting in concert with him): (a) acquires 25% of the voting rights in a listed company; or (b) already holds 25% of the voting rights in a listed company, and acquires more than 5% of the voting rights in the listed company between 1 April and 31 March in any year; or (c) acquires control over a listed company, such acquirer will have to make an open offer to the public shareholders for at least 26% of the total shares of the listed company. Further, the acquisition of shares by any person, such that the individual shareholding of such person acquiring shares exceeds the stipulated thresholds, shall also attract the obligation to make an open offer for acquiring shares of the listed company irrespective of whether there is a change in the aggregate shareholding with persons acting in concert.

The Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. Since, our Company is an Indian listed company, the provisions of the Takeover Code apply to our Company.

**Insider Trading Regulations**

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The SEBI Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and Directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who is a connected person as defined in the SEBI Insider Trading Regulations and who is in possession of or having access to unpublished price sensitive information.

**Depositories**

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

**Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

# DESCRIPTION OF THE EQUITY SHARES

*The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian laws, and not this summary, govern the rights attached to the Equity Shares.*

**General**

As on the date of this Placement Document, our authorized share capital is ₹ 350,000,000 consisting of 175,000,000 Equity Shares of ₹ 2 each. The issued, subscribed and paid-up capital of our Company is ₹ 186,099,550 divided into 93,049,775 Equity Shares of ₹ 2 each.

**Articles of Association**

Our Company is governed by our Articles of Association.

**Dividends**

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Financial Year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any Financial Year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous Financial Year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the Board may before recommending dividend at its absolute discretion may set apart out of the profits of the Company such sums as it thinks prudent as a reserve or reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company and for such other purposes of the Company which it thinks is conducive to the interests of the Company. The Board may, subject to the provisions of the Companies Act, invest the several sums so set aside on investments (other than shares of the Company) as it may think fit, time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserves into such special funds as the Board considers fit, with full power to employ the reserves or any part thereof in the business of the Company, and that without being bound to keep the same separate from other aspects. The Companies Act provides for two forms of dividend - final and interim. The final dividend of the Company is paid once for the Financial Year after the annual accounts are prepared. The Board has the power to recommend the payment of final dividend to the shareholders in a general meeting. The Board can declare interim dividend one or more times in a Financial Year as may be deemed fit by it. Usually, the Board declare interim dividend after finalization of quarterly or half yearly financial accounts. The declaration of final dividend is included in the ordinary business items that are required to be transacted in the Annual General Meeting and cannot be larger than the amount recommended by the Board. However, the Board may declare a smaller dividend. Further, the dividend can be declared only out of the profits of the year or any other undistributed profits except as provided by the Companies Act and no dividend shall carry interest against the Company. The dividend payout decision is dependent on certain external factors like the state of the economy, whether the markets are favorable and statutory restrictions, and, internal factors like profits during the year, additional investments in associates/subsidiaries of the Company, present and future capital requirements of the existing businesses etc.

The Equity Shares issued pursuant to this Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by the Company.

Subject to the provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or dividends in respect of his share(s) either above or jointly with any other person and the Board may deduct from the interest or dividend payable to any such Shareholder all sums of money so due from him to our Company.

Subject to applicable provisions of FEMA, all dividends and other distributions declared and payable on the Equity Shares may be paid by our Company to the Shareholder in Rupees and may be converted into foreign currency and freely transferred out of the Republic of India without the necessity of obtaining any governmental or regulatory authorization or approval in the Republic of India or any political subdivision or taxing authority thereof.

**Capitalisation of Reserves**

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the Board, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus equity shares, which are similar to stock dividend. These bonus equity shares must be distributed to shareholders in proportion to the number of equity shares owned by them as recommended by the Board of Directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI Regulations.

As per the Articles of Association, the Board may at the meeting of the Board resolve to capitalise any amount standing to the credit of the Company's reserve accounts and to the credit of the profit and loss account or otherwise for distribution amongst the members. However, aforesaid distribution shall not be made in cash.

**Pre-Emptive Rights and Alteration of Capital**

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it may determine. According to Section 62 of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the Board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders of the Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person subject to the provisions of FEMA 20, if applicable.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash of for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to condition prescribed under the Companies (Share Capital and Debentures) Rules, 2014, if a special resolution to that effect is passed by our Company's shareholders in a general meeting.

The Articles of Association authorises our Company to issue and Allot shares at par or at a premium subject to and in accordance with provisions of the Companies Act.

**General Meetings of Shareholders**

There are two types of general meetings of the shareholders, AGM and EGM.

Our Company must hold its AGM in each Financial Year provided that not more than 15 months shall elapse between each AGM, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of the Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. In accordance with section 103 of the Companies Act, the quorum in case of a public company with a membership exceeding 5,000 requires 30 members to be present at the meetings, unless a larger number is mentioned in the Articles of Association. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode. The shareholders may exercise their right to vote at general meetings or through postal ballot by voting through e-voting facilities in accordance with the circular dated April 17, 2014 issued by the SEBI.

**Voting Rights**

At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to the Company's total paid up capital. Voting is by a show of hands, unless a poll is ordered by the Chairman of the meeting. The Chairman of the meeting has a casting vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with a company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have the right to speak at meetings.

**Register of Members and Registration of Transfers**

Our Company is required to maintain a register of Shareholders wherein the particulars of the Shareholders are entered. For the purpose of determining the Shareholders, the register may be closed for such period not exceeding in the aggregate 45 days in any one year or 30 days at a time at such times.

**Transfer of shares**

An instrument of transfer of shares must be in writing in the form prescribed under the Companies Act. Such instrument must be executed both by the transferor and the transferee and attested and the transferor is deemed to be the member until the name of the transferee is entered in the register of members in respect thereof. An application for the registration of a transfer of shares in a company may be made either by the transferor or the transferee. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. We have entered into an agreement for such depository services with the National Securities Depository Limited and the Central Depository Services India Limited. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. We shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the Listing Agreement, in the event we have not effected the transfer of shares within 15 days or where we have failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws. Under the Listing Agreement, notice of such refusal must be sent to the transferee within 15 days of the date on which the transfer was lodged with the company.

**Acquisition by our Company of its own shares**

A company is empowered to buy-back its own shares or other specified securities out of its free reserves, the securities premium account or the proceeds of any fresh issue of shares or other specified securities (other than the kind of shares or securities proposed to be bought back) subject to certain conditions, including:

- the buy-back should be authorized by the Articles of Association of the Company;
- a special resolution has been passed in a general meeting authorizing the buy-back (in the case of listed companies, by means of a postal ballot) unless the buy-back is for 10% or less than 10% of the total paid-up equity capital and free reserves of the company and such buy-back has been authorized by the Board of Directors of the company by means of a resolution passed at its meeting;
- the proceeds utilised for the buy-back is limited to not more than 25% of the total paid-up capital and free reserves of the company;
- the buy-back of Equity Shares in any Financial Year is limited to not more than 25% of the total paid-up equity capital of the Company in that Financial Year. No offer of buyback shall be made within one year from the closure of the previous offer to buy-back;
- the secured and unsecured debt owed by the Company is not more than twice the paid-up capital and free

reserves after such buy-back;

- the shares or other specific securities for buy-back are fully paid-up; and
- the buy-back is in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998.

A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the date of closure of the preceding offer of buy-back or to issue the same kind of securities for six months subject to certain limited exceptions.

Other than as described above, a company is prohibited from acquiring its own shares unless the consequent reduction of capital is effected by an approval of at least 75% of its shareholders, voting on it in accordance with the Companies Act and sanctioned by the High Court in terms of the Companies Act. Subject to certain conditions, a public company is prohibited from giving, whether directly or indirectly and whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be by any person for any shares in the company or its holding company.

A company is also prohibited from purchasing its own shares or specified securities through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies. Further, a company is prohibited from purchasing its own shares or specified securities, *inter alia*, if the company is in default with respect to the repayment of deposit or interest, in the redemption of debentures or preference shares, in payment of dividend to a shareholder, in repayment of any term loan or interest payable thereon to any financial institution or bank.

**Directors**

Our Company has six Directors. The composition of the Board is governed by the provisions of the Companies Act and the Listing Agreement. Of the six Directors, three are independent Directors and three are executive Directors.

The Directors may be appointed by the Board or by a general meeting of the Shareholders. A casual vacancy caused in the Board due to death or resignation of a Director can be filled by the Board, but such a person can remain in office only for the unexpired term of the person in whose place he was appointed and on the expiry of the term he will retire unless elected by the Shareholders. The Board may appoint an alternate Director in accordance with the provisions of the Companies Act to act for a Director during his absence from India, which period of absence shall not be less than three months (subject to such person being acceptable to the Chairman). The alternate Director cannot hold office for a period longer than that permissible for the original Director in whose place he has been appointed and has to vacate office if and when the original Director returns to India.

Two-thirds of the total number of directors are subject to retirement by rotation, and of such Directors, one-third, or if their number is not three or multiple of three, then the number nearest to one-third, must retire every year. The Directors to retire are those who have been the longest in office. A retiring Director is eligible for re-appointment. The Directors are not required to hold any qualification Equity Shares. Our Company must have at least one Director who has stayed in India for at least 182 days in the previous calendar year (i.e. is an Indian resident). Our Company is required to have at least one-half of its Directors as independent Directors.

The quorum for meetings of the Board is one-third of the total number of Directors (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. The participation of the Directors by video conferencing or by other visual means will be counted towards quorum. However, where the number of interested Directors is equal to or exceeds two-thirds of total strength, the remaining number of Directors (i.e. Directors who are not interested) present at the meeting, being not less than two shall be the quorum during such time. In case there is no quorum for a Board meeting, the remaining Directors may act only for the purpose of increasing the number of Directors to meet the quorum requirements or to summon the general meeting.

**Annual Report and Financial Results**

An annual report which includes information about our Company such as the Financial Statements as of the date of closing of the Financial Year, the Director's report, the management's discussion and analysis and a corporate governance section is required to be sent to the Shareholders in compliance with applicable laws. Our Company is required to submit the annual report to the Stock Exchanges under the Listing Agreement. Our Company must also publish its financial results in at least one English daily newspaper circulating in the whole or substantially the whole of India and also in a daily newspaper published in the language of the region where the Registered Office is situated. Our Company files certain information online, including the annual report, Financial Statements and the shareholding pattern statement, in accordance with the requirements of the Listing Agreement and as may be specified by the SEBI from time to time.

**Liquidation Rights**

On winding-up, preference shares rank as regards capital in priority to Equity Shares to the extent of the paid up value of the preference shares, but to no other rights or participation in a company's assets. Subject to the rights of the creditors, of employees and of the holders of any other shares entitled by their terms of issue to preferential repayment over the Equity Shares and other dues payable, in the event of a winding-up of our Company, the preference shareholders are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares. All surplus assets, after payment of statutory dues and other dues to employees, creditors and the holders of any preference shares, belong to the holders of Equity Shares in proportion to the amount paid up or ought to have been paid up on the Equity Shares, respectively, at the commencement of the winding-up.

Subject to applicable provisions of the FEMA, all amounts with respect to Equity Shares upon liquidation of our Company may be paid by our Company to the holder thereof in Rupees and may be converted into foreign currency and freely transferred out of the Republic of India without the necessity of obtaining any governmental or regulatory authorisation or approval in the Republic of India or any political subdivision or taxing authority thereof.

## STATEMENT OF TAX BENEFITS

**Statement of possible tax benefits available to the Company and its shareholders under the applicable laws in India**

Date: February 3, 2015

To,

Board of Directors
Ashiana Housing Limited
304, Southern Park
Saket District Centre, Saket
New Delhi - 110017

Dear Sirs,

**Sub: Proposed qualified institutions placement ("QIP") of equity shares of face value of ₹ 2 each ("Equity Shares") of Ashiana Housing Limited ("Company") under Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations") and Section 42 of the Companies Act, 2013 ("Issue"), read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.**

We hereby confirm that the enclosed annexure, prepared by the Company, states the possible tax benefits available to the Company and its shareholders under the Income – tax Act, 1961 (**Act**) presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders will continue to obtain these benefits in future; or
(ii) the conditions prescribed for availing the benefits, where applicable have been/would be met.

*Our views expressed herein are based on the facts and assumptions indicated by you. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such change.*

For M/s B. Chhawchharia & Co.
Chartered Accountants
Firm Registration Number: 305123E

Abhishek Gupta
Partner
Membership No.: 529082
Place: New Delhi
Date: February 3, 2015

## NOTE ON POSSIBLE TAX BENEFITS AVAILABLE TO ASHIANA HOUSING LIMITED AND TO ITS SHAREHOLDERS

### UNDER THE INCOME TAX ACT, 1961 (the IT Act)

Ashiana Housing Limited (herein referred to as 'AHL' or 'the Company') is an Indian Company, subject to tax in India. AHL is taxed on its profits. Profits are computed after allowing all reasonable business expenditure including depreciation.

Considering the activities and the business of AHL, the following benefits may be available to AHL.

### I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. In accordance with and subject to the conditions specified under Section 80-IB (10) of the IT Act, the Company is eligible for 100 percent deduction of the profits derived from development and building of housing projects approved before 31 March, 2008, by a local authority.

### II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders.

### III. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. The provisions of section 2(22)(e) of the IT Act which has the effect of taxing certain payments in the nature of loan or advance, by a company to a shareholder or to any concern in which such shareholder is a member and has substantial interest, as deemed dividend, would not apply to a company in which public are substantially interested.

2. The Company will be entitled for exemption under section 10(2A) of the I.T. Act for the share of profits received from the partnership firms in which the company is a partner. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. Under section 24(a) of the IT Act, the Company is eligible for deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).

4. Under section 24(b) of the IT Act, where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in 5 equal installments beginning with the year of acquisition or construction.

5. Subject to compliance of certain conditions laid down in Section 32 of the IT Act the Company will be entitled to a deduction for depreciation in respect of tangible assets, and intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income-tax Rules, 1962.

6. Under section 35DD of the IT Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

7. The company shall be entitled to deductions as specified in Sections 36 and 37 of the IT Act for the purpose of computing income chargeable under the head 'Profit and gains of business or profession'.

8. Under section 43CA of the IT Act, if the consideration received or accruing as a result of transfer of an asset (other than a capital asset), being land or building or both, is less than the value adopted or assessed or assessable by any authority of a State Government for the purposes of payment of stamp duty in respect of such transfer, the difference shall be treated as a deemed income of the Company.

9. The provisions of section 56(2)(viia) which has the effect of taxing the receipt of property, being shares of a company not being a company in which public are substantially interested, without consideration or for a consideration which is less than the aggregate fair market value of the property determined as per the Rules made in this regard, would not apply to a company in which public are substantially interested.

10. The provisions of section 56(2)(viib) which has the effect of taxing the consideration received upon issue of shares which exceeds the fair market value of the shares determined as per Rules made in this regard, would not apply to a company in which public are substantially interested.

11. Under section 71 of the IT Act, business loss suffered by the Company during the year is allowed to be set-off against income from any other head. Balance loss, if any, could be carried forward under section 72 for eight years for claiming set-off against subsequent years' business income.

    If the accumulated loss suffered by a company comprises unabsorbed depreciation, then such unabsorbed depreciation shall be carried forward to subsequent years indefinitely.

12. Under section 79 of the IT Act, the carry forward and set off of business losses of a company in which public are substantially interested, would not be impacted on a change in shareholding pattern of the Company.

13. Under section 80G of the IT Act, the Company shall be entitled to deduction in respect of the amounts paid by it as donations as per the limits laid down in the said section.

14. Where any tax is paid under section 115JB(1) of the IT Act (hereinafter referred to as Minimum Alternate Tax or "MAT"), for any assessment year commencing on the 1st day of April 2006, then section 115JAA(1A) provides that credit in respect of tax so paid shall be allowed to the Company in accordance with the provisions of the IT Act. Tax credit eligible to be carried forward will be the difference between the MAT paid and the tax computed as per the normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowed.

15. Under section 115-O of the IT Act, the Company will be liable to pay Dividend Distribution Tax (DDT) on the dividend declared, distributed or paid. For the purpose of payment of DDT on the dividends, the dividends so declared, distributed or paid by the domestic company shall be reduced by the dividends received from its Indian subsidiary provided such subsidiary has paid DDT on the same.

    For the said purpose, a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company.

16. Tax on distributed income to shareholders on buy back of shares under section 115QA of the IT Act shall not be applicable to shares listed in recognized stock exchange.

**Income from distributed profits**

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115–O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income-tax. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per Section 10(35) of the IT Act, the following income will be exempt in the hands of the Company:
    a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
    b. Income received in respect of units from the Administrator of the specified undertaking; or
    c. Income received in respect of units from the specified company

    However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

    For this purpose (i) "Administrator" means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a Company as referred to in Section 2(h) of the said Act.

    As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

**Capital Gains**

1. As per Section 10(38) of the IT Act, capital gains arising to the Company on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust will be exempt in the hands of the Company, provided such transaction is chargeable to securities transaction tax.

   For this purpose, "Equity Oriented Fund" means a fund –

   a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
   b. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the IT Act.

   The long term capital gains exempt under Section 10(38) would be liable to book profit tax under Section 115JB of the IT Act.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. Under the Second Proviso to Section 48 of the IT Act, long term capital gains of the Company arising on the transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the company, in respect of long term capital gains from the sale of listed securities (other than a unit) or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).

3. Under Section 111A of the IT Act, short term capital gains arising to the Company from the sale of a short term capital asset being an equity share or a unit of an equity oriented fund or a unit of a business trust will be taxable at the rate of 15% (plus applicable surcharge and education cess) where such transaction is chargeable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

   For this purpose, 'equity oriented fund' would have the same meaning as specified in section 10(38) above.

4. As per section 70, short-term capital loss suffered by the Company during the year is allowed to be set off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward under section 74 for eight years for claiming set-off against subsequent years' long term/short term capital gains.

   Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

**IV. GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS**

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115–O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax in the hands of shareholder.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been subjected to securities transaction tax.

   The long term capital gains exempt under Section 10(38) would be liable to book profit tax under Section 115JB of the IT Act, where the shareholder is a corporate assessee.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. As per provisions of Section 36(1)(xv) of the IT Act, securities transaction tax paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

4. Under Second Proviso to Section 48 of the IT Act, long term capital gains of the shareholder arising on the transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the shareholder, in respect of long term capital gains from the sale of listed securities (other than a unit) or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).

5. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within six months from the date of such transfer in the bonds issued by:
    - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; or
    - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

   The investment made by the Shareholder in the Long Term Specified Asset, from the capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed 50 lakh rupees.

   The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

6. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ("HUF") on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property in India within a period of three years after the date of such transfer.

7. As per section 70, short-term capital loss suffered during the year is allowed to be set-off against short term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward under section 74 for eight years for claiming set-off against subsequent years' long-term/short term capital gains.

   Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

8. Where the resident shareholder is a corporate assessee, then, to the extent its business consists of purchase and sale of shares of other companies, the provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

9. As per the provisions of Section 111A of the IT Act, short-term capital gains from the sale of an equity share of the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

**V. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)**

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on the shares of any company is exempted from tax and is not subject to any deduction of tax at source.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction is chargeable to securities transaction tax.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. As per provisions of Section 36(1)(xv) of the IT Act, securities transaction tax paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

4. Under Section 111A of the IT Act, short-term capital gains arising from the sale of an equity share, being a short term capital asset in the company, would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction is liable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in the company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

5. In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.

6. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within six months from the date of such transfer in the bonds issued by:
   - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; or
   - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

   The investment made by the Shareholder in the Long Term Specified Asset, from the capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed 50 lakh rupees.

The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

7. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property in India within a period of three years after the date of such transfer.

8. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident Indian subject to Tax Residency Certificate being furnished as per prescribed format.

9. As per provisions of Section 115E of the IT Act, Long Term Capital Gain arising to a Non-Resident Indian from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus applicable surcharge and cess).

   Further, income from investments and Long term capital gain from assets (other than specified foreign exchange assets) arising to a Non-Resident Indian is taxable at the rate of 20% (plus applicable surcharge and cess. No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the IT Act.

10. As per provisions of Section 115F of the IT Act, Long term capital gain arising to a Non-Resident Indian on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

11. As per provisions of Section 115G of the IT Act, where the total income of a Non-Resident Indian consists only of investment income / Long term capital gain from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the Non-Resident Indian is not required to file a return of income.

12. As per provisions of Section 115H of the IT Act, where a person who is a Non-Resident Indian in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the IT Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A (Special provisions relating to certain incomes of non-residents) shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

13. As per provisions of Section 115-I of the IT Act, a Non-Resident Indian can opt not to be governed by the provisions of Chapter XII-A (Special provisions relating to certain incomes of non-residents) for any assessment year by furnishing return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the IT Act shall be applicable while determining the taxable income and tax liability arising thereon.

**VI. GENERAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS**

As per Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

**VII. GENERAL TAX BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS (‘FIIs’)**

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-O of the IT Act) would be exempt from tax in the hands of the shareholders of the Company and are not subjected to deduction of tax at source.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares of the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

   As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. As per provisions of Section 36(1)(xv) of the IT Act, securities transaction tax paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

4. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within six months from the date of such transfer in the bonds issued by:
   - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; or
   - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

   The investment made by the Shareholder in the Long Term Specified Asset, from the capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed 50 lakh rupees.

5. Where the Foreign Institutional Investor is a corporate assessee, to the extent its business consists of purchase and sale of shares of other companies, provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

6. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII subject to furnishing of Tax Residency Certificate and Form No. 10F as applicable.

7. Under the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction which has been subjected to securities transaction tax.

8. As per the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115-O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

| Nature of income | Rate of tax (%) |
|---|---|
| Income in respect of securities | 20 |

| | |
|---|---|
| Interest referred to in section 194LD | 5 |
| Long term capital gains | 10 |
| Short term capital gains (Other than short term capital gain referred to in Section 111A) | 30 |

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

**VIII. GENERAL TAX BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS**

1. As per Section 10(23FB) of the IT Act, any income of a Venture Capital Company or Venture Capital Fund from investment in a Venture capital Undertaking would be exempted from income tax subject to the fulfillment of conditions specified.

2. Under Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Fund/company (if non- resident) would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the non-resident.

**GENERAL ANTI-AVOIDANCE RULES (GAAR)**

The Government of India has incorporated provisions relating to General Anti-Avoidance Rules (GAAR) in the income tax laws of India by way of Chapter X-A. GAAR would be effective from assessment year commencing on 1st April 2016 or thereafter.

Under Section 90(2A) of the IT Act, notwithstanding anything contained in Section 90(2), the provisions of GAAR would apply to a non-resident assessee even if such provisions are not beneficial to him.

**UNDER THE WEALTH TAX ACT, 1957**

Assets as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

**Notes:**

a. *The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*

b. *The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*

c. *Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*

d. *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

e. *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

f. *The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance (No. 2) Act 2014.*

*This note has been prepared solely in connection with the Proposed Offering of Equity shares by the Company* *through a Qualified Institutions Placement ("QIP") under Chapter VIII of Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations").*

## LEGAL PROCEEDINGS

*The Company and its Subsidiaries are subject to various legal proceedings from time to time, mostly arising in the ordinary course of its business. Civil cases involving an amount of ₹ 50 million or more have been disclosed below. Additionally all material cases pertaining to the Company and the Subsidiaries involving public interest litigations, environmental cases, criminal cases and land disputes relating to project sites, have also been disclosed below. As of the date of this Placement Document, except as disclosed hereunder, the Company and its Subsidiaries are not involved in any material governmental, legal, tax related or arbitration proceedings or litigation and the Company is not aware of any pending or threatened material governmental, legal, tax or arbitration proceedings or litigation relating to the Company and its Subsidiaries which may have a significant effect on the performance of the Company. Other than as disclosed in this section, the Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures and interest thereon, and in respect of deposits and interest thereon, defaults in repayment of loans from any bank or financial institution and interest thereon.*

**Civil proceedings involving the Company:**

1. The Company has filed a civil suit against SKG Group and Ashiana Realtech Private Limited (collectively the "**Defendants**") before Delhi High Court, seeking a permanent injunction, infringement of trademark, passing off, damages, rendition of accounts, restraining the Defendants from using the term ASHIANA in their course of business as "ASHIANA" is the registered trademark of the Company. The Company has alleged that the term "ASHIANA CUBBIX" and the domain name "http://www.thecubixashiana.com", used by the Defendants for one of their residential projects, are deceptively similar to the registered trademark of the Company. The matter is currently pending.

2. The Company has filed a civil suit against Anand Ultima Builders Private Limited (the "**Defendant**") before Delhi High Court, seeking an injunction restraining the use of the mark "ASHIANA ENCLAVE" or any other mark containing the word ASHIANA by the Defendant. The Company has alleged that the mark "ASHIANA ENCLAVE" is deceptively similar to the registered trademark of the Company "ASHIANA" and thus leads to the infringement of the trademark of the Company. The matter is currently pending.

3. The Company has filed a civil suit against Big Bull Infrastructure Private Limited (the "**Defendant**") before Delhi High Court, seeking a decree of permanent injunction restraining the Defendant from using the mark ASHIANA or any other mark containing the word ASHIANA in their course of business. The Company has alleged that the use of term "BIG BULL ASHIANA EVERYDAY A PLEASURE" by the Defendant in relation to one of its residential projects in Jaipur, is unlawful and leads to the infringement of trademark of the Company. The Defendant has filed its reply dated May 9, 2014, stating that the word "Ashiana" is a common word and cannot be monopolized and thus the use of the word "Ashiana" in the trademark "BIGBULL ASHIANA EVERYDAY A PLEASURE" does not involve the element of deceptive similarities. The matter is currently pending.

**Proceedings in relation to the following projects of the Company**

**1. Bhiwadi**

7 suits have been filed before different forums in relation to our property located in Bhiwadi for various disputes including challenging and cancellation of the old sale deeds, requesting for way inside our ongoing project and various revenue related issues. The total area of the disputed land aggregates to 2.16 hectares. The matters are currently pending.

**2. Ashiana Bageecha**

Ashiana Bageecha Resident Welfare Association has filed a suit before Judicial Magistrate, Tijara disputing the title over half portion of the community centre area. The total disputed area of the land aggregates to 257 square yards. The matter is currently pending.

**3. Ashiana Aangan**

Shiv Kaur (the Petitioner) has filed a suit before Board of Revenue, Ajmer, against our Company, claiming her share of one-fourth of the 7 bigha project land. The matter is currently pending.

4. **Milakhpur**

   3 suits have been filed before various forums in relation to our Milakhpur property for various disputes including stay on acquisition proceedings of the project land, challenging the authenticity of the power of attorney further to which the land was bought and cancellation of sale deed on the ground of forged agreement. The total disputed land aggregates to 16.05 hectares. The matters are currently pending.

5. **Jaipur**

   3 suits have been filed before various forums in relation to our property in Jaipur for various disputes including obstruction and construction on public path and whether the land is a residential or agricultural land. The matters are currently pending**.**

6. **Jamshedpur**

   2 suits have been filed before various forums in relation to our property in Jamshedpur for disputes including claim over the title of the property and encroachment of land. The property in dispute aggregates to 343.41 square feet. The matters are currently pending.

7. **Lavasa**

   Sameer Sadanand Warghade and others have filed a suit before the Civil Judge, Junior Division, Pune, against the Company and Lavasa Corporation, claiming right on portion of land measuring 2.75 acres. The matter is currently pending.

**Criminal proceedings involving the Promoter and Directors**

1. Mr. Motilal Agarwal (the "**Complainant**") has filed a criminal complaint case and in which cognizance has been taken for offenses under section 420 and 406 of the Indian Penal Code ("**IPC**") before the Judicial Magistrate (First Class), against the Managing Directors, Additional Director and the Company Secretary of the Company (the "**Accused Persons**") alleging that that Accused Persons indulged in corrupt practices for cheating people, establishing fake and forged company for grabbing the investments made by general public and cheating the investments made by the Complainant and the other shareholders of the Company. The Complainant has alleged that despite of various requests made by the Complainant, the Accused Persons have not delivered the duplicate share certificate for the 200 shares owned by the Complainant's wife. Further, the Accused Persons have filed a petition under section 205 of the Code of Criminal Procedure, 1973 and have been granted the permission to not appear physically vide order dated November 10, 2009. The Accused persons have also filed an application under section 482 of the Code of Criminal Procedure, 1973, before the Patna High Court for quashing of the current petition and the same is pending in due course. The matter is currently pending.

2. Mr. K M Kaushal has filed an FIR in Thana, Bhiwadi against Mr. Vishal Gupta and 3 others ("**Accused Persons**") alleging that the Accused Persons have executed an agreement to sale of a flat in Ashiana Gulmohar Park in joint name along with his son, Mr. Sunil Mohan, instead of his sole name.

**Litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against the Promoters during last three years:**

There are no litigations or legal actions pending or taken by any ministry or department of the Government or statutory authority against the Promoters during the last three years immediately preceding the year of the circulation of this Placement Document and any direction issued by such ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action.

**Inquiries, inspections or investigations in the last three years against the Company and its Subsidiaries:**

Other than as mentioned below, there have been no inquiries, inspection or investigation in the last three years against the Company and its Subsidiaries under the Companies Act from the date of filing of this Placement Document:

The Registrar of Companies, West Bengal at Kolkata ("**Registrar of Companies**") had filed a case against the Company and 3 others (the "**Accused Persons**") before the Chief Judicial Magistrate, Alipore, under section 234(1) of the Companies Act, 1956. The Registrar of Companies passed an order dated February 25, 2011 in furtherance to not receiving any communication in relation to its letter dated January 7, 2011, requesting the Company to provide the duplicate share certificates of bonus shares issued to Mr. Omprakash Jain (the "**Complainant**"). The proceedings were dropped vide order dated March 11, 2013 of the Chief Judicial Magistrate, Alipore, as no offence punishable under section 234(4) of the Companies Act, 1956 could be made out since the Complainant had acknowledged receiving the requested share certificates vide letter dated January 18, 2011.

**Notices received from regulatory authorities:**

The Company received a notice dated April 27, 2012 under section 41(2), read with section 36 (2) of the Competition Act, 2002, from the Office of the Director General, Competition Commission of India, to provide some basic information in relation to the nature of activities carried out by the Company. The Company, vide letter dated June 19, 2012 replied to the notice and furnished the requested information.

**Details of defaults in statutory dues**

| Sr. No. | Details | Amount Involved (in ₹) | Duration of the Default (in days) * | Present status |
|---|---|---|---|---|
| Delay in payment of: | | | | |
| 1. | Service tax for April 2014 | 1,359 | 31 | Deposited |
| 2. | Service tax for August 2014 | 2,78,305 | 10 | Deposited |
| 3. | Service tax for September 2014 | 1,28,066 | 2 | Deposited |
| 4. | Tax deduction at source ("**TDS**") for June 2014 | 1,654 | | Not Yet deposited |
| 5. | TDS for July 2014 | 64,365 | 30 | Deposited |
| 6. | TDS for August 2014 | 23,772 | | Not Yet deposited |
| 7. | TDS for September 2014 | 5,000 | 3 | Deposited |
| 8. | TDS for September 2014 | 25,399 | | Not Yet deposited |
| 9. | Rajasthan Value Added Tax ("**VAT**") for April 2014 | 16,80,396 | 138 | Deposited |
| 10. | Rajasthan VAT for April 2014 | 79,300 | 115 | Deposited |
| 11. | Rajasthan VAT for May 2014 | 16,97,623 | 138 | Deposited |
| 12. | Rajasthan VAT for May 2014 | 1,40,400 | 115 | Deposited |
| 13. | Gujarat VAT for May 2014 | 64,307 | 7 | Deposited |
| 14. | Rajasthan VAT for June 2014 | 17,56,750 | 138 | Deposited |
| 15. | Rajasthan VAT for June 2014 | 54,600 | 115 | Deposited |
| 16. | Rajasthan VAT for June 2014 | 32,500 | 127 | Deposited |
| 17. | Rajasthan VAT for July 2014 | 18,57,402 | 138 | Deposited |
| 18. | Rajasthan VAT for July 2014 | 91,000 | 115 | Deposited |
| 19. | Rajasthan VAT for July 2014 | 1,02,700 | 127 | Deposited |
| 20. | Rajasthan VAT for August 2014 | 15,68,651 | 107 | Deposited |
| 21. | Rajasthan VAT for August 2014 | 68,900 | 84 | Deposited |
| 22. | Rajasthan VAT for August 2014 | 1,46,900 | 97 | Deposited |
| 23. | Rajasthan VAT for September 2014 | 26,41,508 | 77 | Deposited |
| 24. | Rajasthan VAT for September 2014 | 1,23,500 | 54 | Deposited |
| 25. | Rajasthan VAT for September 2014 | 1,61,200 | 66 | Deposited |
| 26. | Provident Fund for September 2014 | 88,868 | 5 | Deposited |
| 27. | Work Contract Tax for May 2014 | 10,661 | | Not yet Deposited |
| 28. | Work Contract Tax for April to June 2014 | 23,761 | 132 | Deposited |

| Sr. No. | Details | Amount Involved (in ₹) | Duration of the Default (in days) * | Present status |
|---|---|---|---|---|
| 29. | Work Contract Tax for July 2014 | 12,950 | | Not yet Deposited |
| 30. | Work Contract Tax for August 2014 | 6,746 | | Not yet Deposited |
| 31. | Work Contract Tax for July to September 2014 | 34,857 | 60 | Deposited |
| 32. | Service Tax for April 2013 | 13,24,597 | 31 | Deposited |
| 33. | Service Tax for June 2013 | 272 | 63 | Deposited |
| 34. | Service Tax for July 2013 | 18,828 | 32 | Deposited |
| 35. | Service Tax for July 2013 | 67,097 | 11 | Deposited |
| 36. | Service Tax for July 2013 | 50,658 | 56 | Deposited |
| 37. | Service Tax for July 2013 | 9,479 | 26 | Deposited |
| 38. | Service Tax for September 2013 | 28,241 | 18 | Deposited |
| 39. | Service Tax for September 2013 | 1,454 | 1 | Deposited |
| 40. | Service Tax for October 2013 | 80,368 | 30 | Deposited |
| 41. | Service Tax for January 2014 | 3,761 | 185 | Deposited |
| 42. | Service Tax for March 2014 | 75,634 | 22 | Deposited |
| 43. | TDS for April 2013 | 610 | 16 | Deposited |
| 44. | TDS for May 2013 | 13,333 | 123 | Deposited |
| 45. | TDS for June 2013 | 13,500 | 1 | Deposited |
| 46. | TDS for June 2013 | 7,584 | 60 | Deposited |
| 47. | TDS for June 2013 | 69,763 | 1 | Deposited |
| 48. | TDS for June 2013 | 9,501 | 21 | Deposited |
| 49. | TDS for July 2013 | 9,000 | 122 | Deposited |
| 50. | TDS for August 2013 | 859 | 12 | Deposited |
| 51. | TDS for September 2013 | 9,069 | 59 | Deposited |
| 52. | TDS for September 2013 | 21,310 | 59 | Deposited |
| 53. | TDS for October 2013 | 57,010 | 30 | Deposited |
| 54. | TDS for October 2013 | 2,109 | 12 | Deposited |
| 55. | TDS for October 2013 | 39,000 | 31 | Deposited |
| 56. | TDS for October 2013 | 18,500 | 12 | Deposited |
| 57. | TDS for February 2014 | 1,38,500 | 6 | Deposited |
| 58. | TDS for February 2014 | 16,500 | 31 | Deposited |
| 59. | TDS for February 2014 | 3,44,247 | 6 | Deposited |
| 60. | Construction Cess for April to June 2013 | 1,14,454 | 58 | Deposited |
| 61. | Service Tax for May 2012 | 288 | 48 | Deposited |
| 62. | Service Tax for June 2012 | 29,910 | 40 | Deposited |
| 63. | Service Tax for July 2012 | 38,107 | 1 | Deposited |
| 64. | Service Tax for July 2012 | 5,35,317 | 1 | Deposited |
| 65. | Service Tax for August 2012 | 4,63,202 | 7 | Deposited |
| 66. | Service Tax for September 2012 | 65,658 | 29 | Deposited |
| 67. | Service Tax for November 2012 | 10,07,274 | 42 | Deposited |
| 68. | Service Tax for December 2012 | 18,250 | 2 | Deposited |

| Sr. No. | Details | Amount Involved (in ₹) | Duration of the Default (in days) * | Present status |
|---|---|---|---|---|
| 69. | Service Tax for January 2013 | 18,080 | 9 | Deposited |
| 70. | Service Tax for February 2013 | 15,04,210 | 15 | Deposited |
| 71. | Service Tax for March 2013 | 93,500 | 6 | Deposited |
| 72. | Service Tax for March 2013 | 11,153 | 6 | Deposited |
| 73. | TDS for June 2012 | 16,000 | 2 | Deposited |
| 74. | TDS for June 2012 | 1,10,248 | 2 | Deposited |
| 75. | TDS for July 2012 | 1,25,952 | 1 | Deposited |
| 76. | TDS for August 2012 | 15,500 | 5 | Deposited |
| 77. | TDS for August 2012 | 77,751 | 5 | Deposited |
| 78. | TDS for September 2012 | 8,300 | 1 | Deposited |
| 79. | TDS for September 2012 | 63,451 | 1 | Deposited |
| 80. | TDS for September 2012 | 4,204 | 10 | Deposited |
| 81. | TDS for October 2012 | 2,600 | 31 | Deposited |
| 82. | TDS for November 2012 | 4,00,000 | 61 | Deposited |
| 83. | TDS for November 2012 | 17,599 | 14 | Deposited |
| 84. | TDS for December 2012 | 4,893 | 18 | Deposited |
| 85. | TDS for January 2013 | 8,300 | 1 | Deposited |
| 86. | TDS for January 2013 | 93,982 | 1 | Deposited |
| 87. | TDS for February 2013 | 1,24,784 | 28 | Deposited |
| 88. | TDS for March 2013 | 3,10,855 | 23 | Deposited |
| 89. | Construction Cess for August 2011 to July 2012 | 46,61,208 | 7 | Deposited |
| 90. | Construction Cess for August 2012 to March 2013 | 5,94,880 | 164 | Deposited |
| 91. | Construction Cess for June 2012 to March 2013 | 6,21,576 | 99 | Deposited |
| 92. | Service Tax for July 2011 | 7,99,202 | 30 | Deposited |
| 93. | Service Tax for September 2011 | 1,70,191 | 266 | Deposited |
| 94. | Service Tax for September 2011 | 2,133 | 64 | Deposited |
| 95. | Service Tax for March 2012 | 53,005 | 214 | Deposited |
| 96. | Service Tax for March 2012 | 1,045 | 172 | Deposited |
| 97. | Service Tax for March 2012 | 4,011 | 56 | Deposited |
| 98. | TDS for June 2011 | 1,37,145 | 1 | Deposited |
| 99. | TDS for July 2011 | 80,520 | 2 | Deposited |
| 100. | TDS for September 2011 | 15,396 | 4 | Deposited |
| 101. | TDS for September 2011 | 1,31,027 | 4 | Deposited |
| 102. | Construction Cess for August 2010 to July 2011 | 41,59,378 | 82 | Deposited |
| 103. | Maharashtra Vat for April to June 2011 | 87,346 | 279 | Deposited |
| 104. | Maharashtra Vat for October to December 2011 | 1,16,471 | 95 | Deposited |
| 105. | Maharashtra Vat for January to March 2012 | 5,96,825 | 10 | Deposited |
| 106. | Service Tax for July 2012 | 5,534 | 182 | Deposited |

| Sr. No. | Details | Amount Involved (in ₹) | Duration of the Default (in days) * | Present status |
|---|---|---|---|---|
| 107. | Service Tax for August 2012 | 25,442 | 151 | Deposited |
| 108. | Service Tax for September 2012 | 7,920 | 121 | Deposited |
| 109. | Service Tax for October 2012 | 15,077 | 90 | Deposited |
| 110. | Service Tax for November 2012 | 3,946 | 60 | Deposited |
| 111. | Service Tax for December 2012 | 18,97,211 | 30 | Deposited |
| 112. | Service Tax for December 2012 | 8,659 | 29 | Deposited |
| 113. | Service Tax for January 2013 | 7,022 | 90 | Deposited |
| 114. | Service Tax for March 2013 | 95,007 | 5 | Deposited |
| 115. | Service Tax for April 2013 | 2,259 | 334 | Deposited |
| 116. | Service Tax for April 2013 | 1,750 | 31 | Deposited |
| 117. | Service Tax for May 2013 | 2,259 | 303 | Deposited |
| 118. | Service Tax for June 2013 | 2,259 | 275 | Deposited |
| 119. | Service Tax for July 2013 | 2,259 | 242 | Deposited |
| 120. | Service Tax for July 2013 | 13,046 | 93 | Deposited |
| 121. | Service Tax for August 2013 | 2,259 | 211 | Deposited |
| 122. | Service Tax for August 2013 | 10,329 | 62 | Deposited |
| 123. | Service Tax for September 2013 | 2,259 | 181 | Deposited |
| 124. | Service Tax for October 2013 | 2,259 | 150 | Deposited |
| 125. | Service Tax for November 2013 | 2,259 | 120 | Deposited |
| 126. | Service Tax for November 2013 | 1,392 | 70 | Deposited |
| 127. | Service Tax for December 2013 | 2,259 | 89 | Deposited |
| 128. | Service Tax for January 2014 | 2,259 | 58 | Deposited |
| 129. | Service Tax for February 2014 | 2,259 | 25 | Deposited |
| 130. | Service Tax for March 2014 | 1,08,369 | 4 | Deposited |
| 131. | Service Tax for April 2014 | 2,259 | 157 | Deposited |
| 132. | Service Tax for May 2014 | 2,259 | 127 | Deposited |
| 133. | Service Tax for June 2014 | 2,259 | 96 | Deposited |
| 134. | Service Tax for July 2014 | 2,259 | 66 | Deposited |
| 135. | TDS for June 2011 | 25,65,750 | 1 | Deposited |
| 136. | TDS for July 2011 | 14,291 | 1 | Deposited |
| 137. | TDS for August 2011 | 4,717 | 35 | Deposited |
| 138. | TDS for March 2012 | 3,022 | 37 | Deposited |
| 139. | TDS for July 2012 | 2,06,100 | 7 | Deposited |
| 140. | TDS for July 2012 | 60,985 | 7 | Deposited |
| 141. | TDS for August 2012 | 3,24,255 | 4 | Deposited |
| 142. | TDS for August 2012 | 2,47,600 | 4 | Deposited |
| 143. | TDS for March 2013 | 5,500 | 19 | Deposited |
| 144. | TDS for March 2013 | 10,000 | 183 | Deposited |
| 145. | TDS for June 2013 | 25 | 239 | Deposited |
| 146. | TDS for September 2013 | 2,546 | 147 | Deposited |
| 147. | TDS for September 2013 | 1,54,545 | 180 | Deposited |
| 148. | TDS for September 2013 | 23,73,713 | 90 | Deposited |

| Sr. No. | Details | Amount Involved (in ₹) | Duration of the Default (in days) * | Present status |
|---|---|---|---|---|
| 149. | TDS for October 2013 | 6,93,939 | 149 | Deposited |
| 150. | TDS for October 2013 | 450 | 116 | Deposited |
| 151. | TDS for February 2014 | 2,88,889 | 59 | Deposited |
| 152. | TDS for March 2014 | 55,000 | 37 | Deposited |
| 153. | TDS for March 2014 | 61,259 | 37 | Deposited |

** In cases of statutory dues not yet deposited, the duration of default has been calculated till the date of the certificate dated February 3, 2015 issued by the Auditors of the Company.*

**Material frauds committed against the Company**

There are no material frauds committed against the Company in FY 2014, FY 2013 and FY 2012 and as on December 31, 2014.

## INDEPENDENT ACCOUNTANTS

Our Company's current statutory auditors, M/s. B. Chhawchharia & Co., Chartered Accountants, are independent auditors with respect to our Company as required by the Companies Act and in accordance with the guidelines issued by the ICAI. The Auditors hold a valid peer review certificate dated May 4, 2012.

Our Company's audited consolidated financial statements for the Financial Years 2012, 2013 and 2014, respectively, and unaudited condensed consolidated interim financial statements for the six month period ended September 30, 2014, have been included in this Placement Document. The Financial Statements are prepared in accordance with Indian GAAP as applicable to us.

Our Auditors have audited the consolidated Financial Statements as of and for the Financial Years 2012, 2013 and 2014, respectively. See "Financial Statements – Independent Auditors' Report" on page 172.

## GENERAL INFORMATION

(i) We were incorporated on June 25, 1986 under the Companies Act, 1956, as Ashiana Housing & Finance (India) Limited. Subsequently, pursuant to fresh certificate of incorporation dated May 4, 2007, the name of our Company was changed to its present name. Our Registered Office is located at 5F, Everest, 46/C, Chowringhee Road, Kolkata – 700 071, West Bengal.

(ii) The authorized share capital of our Company is ₹ 350,000,000 consisting of 175,000,000 Equity Shares of ₹ 2 each. The issued, subscribed and paid-up capital of our Company is ₹ 186,099,550 divided into 93,049,775 Equity Shares of ₹ 2 each.

(iii) For the main objects of our Company, please refer to the Memorandum.

(iv) Our Equity Shares were listed on NSE and BSE on June 29, 2011 and May 20, 1993, respectively. The Issue was authorised and approved by the Board on November 11, 2014 and approved by the shareholders by postal ballot on January 10, 2015.

(v) We have received in-principle approval to list the Equity Shares to be issued pursuant to the Issue, on NSE and BSE on February 3, 2015.

(vi) Copies of our Memorandum and Articles of Association will be available for inspection between 11:00 am to 1:00 pm on any weekday (except Saturdays and public holidays) at our Registered Office.

(vii) Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorisations required in connection with the Issue.

(viii) There has been no material change in our financial or trading position since December 31, 2014, the date of the last published unaudited financial statements prepared in accordance with Indian GAAP included in this Placement Document, except as disclosed herein.

(ix) The Company's Auditors, M/s. B. Chhawchharia & Co., Chartered Accountants, have audited the consolidated financial statements as of and for the years ended March 31, 2012, 2013 and 2014 included in this Placement Document and have performed a limited review of the unaudited condensed consolidated interim financial statements of the Company as of and for the six month period ended September 30, 2014.

(x) Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue.

(xi) We confirm that we are in compliance with the minimum public shareholding requirements as specified in the SCRR.

(xii) The Floor Price of ₹ 222.02 which has been calculated in accordance with Chapter VIII of the SEBI Regulations.

(xiii) The Company has offered a discount of up to ₹ 7.02 to the Floor Price of ₹ 222.02 in accordance with the proviso to Regulation 85(1) of the SEBI Regulations.

## FINANCIAL STATEMENTS

**B. Chhawchharia & Co.**
**Chartered Accountants**
DTJ 422, DLF TOWER B, JASOLA DISTRICT CENTRE, JASOLA, NEW DELHI - 110 025, INDIA
TELEFAX (91-11) 4108 1004 • E-MAIL : delhi@bcco.co.in

## Review Report on Unaudited Interim Condensed Consolidated Financial Statements

The Executive Committee of the Board of Directors
Ashiana Housing limited

### Introduction

We have reviewed the accompanying unaudited interim condensed consolidated financial statements of Ashiana Housing Limited ("the Company") and its subsidiaries, collectively the "Group", which comprise the interim condensed consolidated Balance sheet as at 30th September, 2014 and the interim condensed consolidated Statement of Profit and Loss and the interim condensed consolidated Cash Flow Statement for the six-months period then ended, and explanatory notes to the interim condensed consolidated financial statements, together referred to as "Unaudited interim Condensed Consolidated Financial Statements".

These Unaudited Interim Condensed Consolidated Financial Statements are the responsibility of the Company's Management and have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25 "Interim Financial Reporting" notified under the Companies Act, 1956 ("the Act") (which is deemed to be applicable as per section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules, 2014) and has been approved by the Executive Committee of the Board of Directors. Our responsibility is to express a conclusion on these unaudited interim Condensed Consolidated Financial Statements Based on our review.

### Scope of Review

We conducted our review in accordance with the standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited interim Condensed Consolidated Financial Statements have not been prepared in accordance with recognition and measurement principles laid down in Accounting Standard (AS) 25 "Interim Financial Reporting" notified under the Act (which is deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other recognized accounting practices and policies.

B. Chhawchharia & Co. New Delhi Chartered Accountants

We report that the corresponding six months period ended September 30, 2013 for the "Unaudited Interim Condensed Consolidated Financial Statements" is as certified by the management and has not been subjected to any review by us.

The Unaudited Interim Condensed Consolidated Financial statements have been prepared, and this report thereon, issued, solely for the purpose of the proposed offerings of equity shares through a Qualified Institutional Placement. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

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

Abhishek Gupta
Partner
Membership Number: 529082

Place: New Delhi
Date: 12th January, 2015

ASHIANA HOUSING LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMEBR, 2014

| | | AS AT 30.09.2014 | AS AT 31.03.2014 |
|---|---|---|---|
| | | ₹ | ₹ |
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 1 | 186,099,550 | 186,099,550 |
| Reserves & Surplus | 2 | 2,755,758,191 | 2,658,457,614 |
| | | 2,941,857,741 | 2,844,557,164 |
| **Non-current Liabilities** | | | |
| Long Term Borrowings | 3 | 395,872,543 | 91,284,084 |
| Deferred Tax Liabilities (Net) | 4 | 12,125,000 | 34,418,000 |
| Other Long Term Liabilities | 5 | 207,685,085 | 206,609,590 |
| Long Term Provisions | 6 | 28,116,239 | 25,670,265 |
| | | 643,798,867 | 357,981,939 |
| **Current Liabilities** | | | |
| Advance from Customers | 7 | 4,338,764,205 | 2,630,048,484 |
| Trade Payables | 8 | 123,616,443 | 115,808,766 |
| Other Current Liabilities | 9 | 230,034,700 | 155,462,855 |
| Short-term Provisions | 10 | - | 54,431,793 |
| | | 4,692,415,348 | 2,955,751,898 |
| **Minority Interest** | | (56,942,606) | (30,966,733) |
| | | 8,221,129,350 | 6,127,324,268 |
| **ASSETS** | | | |
| **Non-current Assets** | | | |
| Fixed Assets: | 11 | | |
| Tangible Assets | | 573,679,359 | 544,463,606 |
| Intangible Assets | | 11,862,905 | 12,977,732 |
| Capital Work in Progress | | 11,206,553 | 12,820,622 |
| | | 596,748,817 | 570,261,960 |
| Non-Current Investments | 12 | (168,373,554) | (232,504,584) |
| | | 428,375,263 | 337,757,376 |
| **Current Assets** | | | |
| Current Investments | 13 | 649,897,438 | 565,693,861 |
| Inventories | 14 | 5,100,852,721 | 3,779,931,132 |
| Trade Receivables | 15 | 128,787,742 | 95,687,026 |
| Cash & Cash Equivalents | 16 | 716,539,965 | 572,312,841 |
| Short Term Loans & Advances | 17 | 1,196,676,221 | 775,927,856 |
| Other Current Assets | 18 | - | 14,176 |
| | | 7,792,754,087 | 5,789,566,892 |
| | | 8,221,129,350 | 6,127,324,268 |
| EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS | 31 | | |

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: 12th January, 2015

B. Chhawchharia & Co. Chartered Accountants New Delhi

| Vishal Gupta | Ankur Gupta | Varun Gupta |
|---|---|---|
| (Managing Director) | (Jt. Managing Director) | (Wholetime Director) |

| Vikash Dugar | Nitin Sharma |
|---|---|
| (Chief Financial Officer) | (Company Secretary) |

ASHIANA HOUSING LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR SIX MONTHS ENDED 30TH SEPTEMBER, 2014

| | Notes | April 2014 to September 2014 | April 2013 to September 2013 |
|---|---|---|---|
| | | ₹ | ₹ |
| **Income** | | | |
| Revenue from Operations | 19 | 179,379,184 | 679,045,773 |
| Income from Partnership | 20 | 198,045,117 | 99,550,566 |
| Other Income | 21 | 79,737,929 | 63,298,942 |
| | | 457,162,230 | 841,895,281 |
| **Expenses** | | | |
| Direct Costs: | | | |
| Purchases | 22 | 198,060,493 | 203,292,026 |
| Project Expenses | 23 | 1,132,370,245 | 521,040,819 |
| Ongoing Project Expenses Adjusted | | - | 14,979,902 |
| Changes in Inventories | 24 | (1,311,131,951) | (385,263,997) |
| Hotel and Club Expenses | 25 | 27,712,277 | 32,372,135 |
| Real Estate Support Operations Expenses | 26 | 57,283,877 | 38,906,867 |
| | | **104,294,941** | **425,327,752** |
| Employee Benefit Expense | 27 | 103,442,391 | 90,027,799 |
| Advertisement & Business Promotion | | 20,099,050 | 21,622,050 |
| Finance Costs | 28 | 9,018,659 | 9,510,539 |
| Other Expenses | 29 | 70,431,180 | 60,452,143 |
| Depreciation & Amortization expenses | | 40,815,356 | 14,555,677 |
| | | **348,101,577** | **621,495,960** |
| **Profit Before extraordinary items and tax** | | 109,060,653 | 220,399,322 |
| **Tax Expenses :** | 30 | | |
| i)Current Tax | | 5,565,874 | 47,500,404 |
| ii)Deferred Tax | | (13,076,000) | - |
| **Total Tax Expense** | | (7,510,126) | 47,500,404 |
| Less : Minority Interest | | 78,126 | (888) |
| **Profit for the Period after tax** | | 116,492,653 | 172,899,806 |
| Earning Per Share (On Shares of nominal value of ₹ 2/- each) Basic and Diluted | | **1.25** | **1.86** |

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

Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
Date: 12th January, 2015

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholetime Director)

Vikash Dugar
(Chief Financial Officer)

Nitin Sharma
(Company Secretary)

B. Chhawchharia & Co. Chartered Accountants New Delhi

| NOTES TO THE ACCOUNTS | AS AT 30.09.2014 | AS AT 31.03.2014 |
|---|---|---|
| | (₹) | (₹) |
| **1 SHARE CAPITAL** | | |
| Authorised : | | |
| 175000000 Equity shares of ₹ 2/- each | 350,000,000 | 350,000,000 |
| Issued, Subscribed and Paid up : | | |
| 93049775 Equity shares of ₹ 2/- each fully paid up | 186,099,550 | 186,099,550 |
| | 186,099,550 | 186,099,550 |
| **2 RESERVES & SURPLUS** | | |
| **Capital Reserve** | 1,518,000 | 1,518,000 |
| | 1,518,000 | 1,518,000 |
| **Securities Premium Reserve** | | |
| As per Last Account | 14,400,000 | 14,400,000 |
| | 14,400,000 | 14,400,000 |
| **General Reserve** | | |
| As per last Account | 2,409,600,000 | 2,257,600,000 |
| Add: Transfer from Consolidated Surplus in Profit & Loss Account | - | 152,000,000 |
| | 2,409,600,000 | 2,409,600,000 |
| **Surplus/(Deficit) in the statement of Profit and Loss** | | |
| As per last Account | 232,939,614 | 221,061,308 |
| Profit for the period | 116,492,653 | 218,635,880 |
| Less: Appropriations | | |
| Proposed dividend | - | (46,524,888) |
| Tax on dividend | - | (8,232,687) |
| Transfer to General Reserve | - | (152,000,000) |
| Depreciation adjustment as per Companies Act, 2013 (Net of Deferred Tax) | (19,192,076) | - |
| **Net Surplus in the statement of Profit and Loss** | 330,240,191 | 232,939,614 |
| | 2,755,758,191 | 2,658,457,614 |
| **3 LONG -TERM BORROWINGS:** | | |
| **SECURED LOANS** | | |
| **Term Loan** | | |
| a) From Bank | | |
| Corporate Loan -From AXIS Bank Limited | 95,833,342 | 108,333,340 |
| Secured by exclusive mortgage on "TreeHouse" Hotel with 101 rooms and retail mall of 38,687 sq. ft. at Village Centre, Vasundhara Colony, Bhiwadi Dist. Alwar | | |
| Terms of Repayment : 72 equal monthly installments commencing from 31.08.2012 | | |
| b) From Others | | |
| Construction Loan -From HDFC Limited | 319,692,307 | - |
| Secured by mortgage of Land Parcels A, B1, C1 and C2, measuring 166793 sq mts situated at Gram Thada and Gram Udaipur, Tehsil Tijara, District Alwar along with construction thereon both present and future and exclusive charge on all receivables of the project "Ashiana Town Beta". | | |
| Terms of Repayment : 15% of the sale receipts of the project "Ashiana Town Beta" towards principal repayment. However, entire loan to be repaid within 84 months from the date of first disbursement, i.e. 04.07.2014 | | |
| **Vehicle Loan** | | |
| a) From Banks: | | |
| HDFC Bank Limited | 10,956,482 | 14,478,995 |
| b) From Others: | | |
| Tata Capital Ltd | - | 325,921 |
| | 426,482,131 | 123,138,257 |
| Less : Current Maturity (Refer Note No. 9) | 30,609,588 | 31,854,173 |
| | 395,872,543 | 91,284,084 |
| **4 DEFERRED TAX LIABILITIES (NET)** | | |
| Deferred Tax Liability on Fiscal allowance of fixed assets | 39,768,000 | 50,911,000 |
| Less: Deferred Tax Assets on | | |
| - Fiscal allowance of unabsorbed losses | 18,521,000 | 6,589,000 |
| - Employee Benefits | 9,122,000 | 8,329,000 |
| - Provision for Diminution in value of Investments | - | 1,575,000 |
| | 12,125,000 | 34,418,000 |

B. Chhawchharia & Co. Chartered Accountants New Delhi

| NOTES TO THE ACCOUNTS | | AS AT 30.09.2014 | AS AT 31.03.2014 |
|---|---|---|---|
| | | (₹) | (₹) |
| 5 | **OTHER LONG TERM LIABILITIES** | | |
| | Security Deposit from Treehouse Members | 22,040,486 | 21,935,986 |
| | Lease Rent Deposit | 23,099,291 | 23,076,091 |
| | Deposit from Customers | 119,039,965 | 161,597,513 |
| | Deposits in Trust | 43,505,343 | - |
| | | 207,685,085 | 206,609,590 |
| 6 | **LONG TERM PROVISIONS** | | |
| | Provision for Employee Benefits | | |
| | - Gratuity | 27,733,946 | 25,362,972 |
| | - Leave Pay | 382,293 | 307,293 |
| | | 28,116,239 | 25,670,265 |
| 7 | **ADVANCE FROM CUSTOMERS** | | |
| | Customer Advance | 4,377,986,065 | 2,669,270,344 |
| | Less: Ongoing Projects Adjustment Account | 39,221,860 | 39,221,860 |
| | | 4,338,764,205 | 2,630,048,484 |
| 8 | **TRADE PAYABLES** | | |
| | Sundry Creditors | 123,616,443 | 115,808,766 |
| | | 123,616,443 | 115,808,766 |
| 9 | **OTHER CURRENT LIABILITIES** | | |
| | Current maturities of long-term debt (Refer Note No. 3) | 30,609,588 | 31,854,173 |
| | Interest accrued but not due on borrowings | - | 93,398 |
| | Interest accrued and due on borrowings on 31.03.2014 (Auto debited on 02.04.204) | - | 1,265,240 |
| | Unclaimed Dividends | 10,071,525 | 10,071,525 |
| | Security deposits | 22,287,353 | 17,426,079 |
| | Deposits in trust | 26,918,283 | - |
| | Other liabilities | 115,225,774 | 86,958,768 |
| | Maintenance Fund | 24,922,177 | 7,793,672 |
| | | 230,034,700 | 155,462,855 |
| 10 | **SHORT-TERM PROVISIONS** | | |
| | For Proposed Dividend | - | 46,524,888 |
| | For Corporate Dividend Tax | - | 7,906,905 |
| | | - | 54,431,793 |

B. Chhawchharia & Co. Chartered Accountants New Delhi

NOTES TO THE ACCOUNTS

11. FIXED ASSETS

| | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2014 ₹ | Additions/ (Deductions) ₹ | As at 30.09.2014 ₹ | Up to Last year ₹ | For the period ₹ | Up to 30.09.2014 ₹ | As at 30.09.2014 ₹ | As at 31.03.2014 ₹ |
| **TANGIBLE ASSETS** | | | | | | | | |
| BUILDING | 233,309,324 | 8,275,726 | 241,585,050 | 37,038,419 | 1,786,512 | 38,824,931 | 202,760,120 | 196,270,905 |
| PLANT & MACHINERY | 280,820,154 | 77,694,961<br>(135,472) | 358,379,643 | 44,710,888<br>- | 38,229,264<br>(17,117) | 82,923,035 | 275,456,608 | 236,109,266 |
| FURNITURE & FIXTURES | 50,909,787 | 1,269,627<br>(34,537) | 52,144,877 | 17,598,548 | 3,035,006<br>(8,978) | 20,624,576 | 31,520,301 | 33,311,239 |
| ELECTRICAL INSTALLATIONS | 14,237,920 | 3,557,753 | 17,795,673 | 4,058,160 | 1,364,626 | 5,422,786 | 12,372,887 | 10,179,760 |
| EQUIPMENTS AND FACILITIES | 33,313,683 | 1,980,376<br>(11,400) | 35,282,659 | 7,044,970 | 11,715,863<br>(4,342) | 18,756,491 | 16,526,168 | 26,268,713 |
| COMPUTER - HARDWARES | 27,693,994 | 4,271,356<br>(62,836) | 31,902,514 | 15,752,286 | 5,349,042<br>(62,561) | 21,038,767 | 10,863,747 | 11,941,708 |
| VEHICLES | 37,747,412 | 48,096 | 37,795,508 | 7,365,397 | 6,250,582 | 13,615,979 | 24,179,529 | 30,382,015 |
| TOTAL | 678,032,274 | 97,097,895<br>(244,245) | 774,885,924 | 133,568,668 | 67,730,895<br>(92,998) | 201,206,565 | 573,679,359 | - |
| **INTANGIBLE ASSETS** | | | | | | | | |
| GOODWILL ON CONSOLIDATION | 21,124 | - | 21,124 | - | - | - | 21,124 | 21,124 |
| TRADEMARK AND LOGO | 11,143,152 | - | 11,143,152 | 1,309,702 | 549,304 | 1,859,006 | 9,284,146 | 9,833,450 |
| COMPUTER - SOFTWARE | 7,381,877 | 1,582,134<br>(59,000) | 8,905,011 | 4,258,719 | 2,147,657<br>(59,000) | 6,347,376 | 2,557,635 | 3,123,158 |
| TOTAL | 18,546,153 | 1,582,134<br>(59,000) | 20,069,287 | 5,568,421 | 2,696,961<br>(59,000) | 8,206,382 | 11,862,905 | - |
| **CAPITAL WORK IN PROGRESS** | 12,820,622 | 6,156,753<br>(7,770,822) | 11,206,553 | - | - | - | 11,206,553 | 12,820,622 |
| **GRAND TOTAL** | **709,399,049** | **104,836,782<br>(8,074,067)** | **806,161,764** | **139,137,089** | **70,427,857*<br>(151,998)** | **209,412,948** | **596,748,817** | **12,820,622** |

* Includes ₹ 12,03,425/- (P.Y. ₹ 208,497/-) Charged to Project Expenses.

* Includes ₹ 2,84,09,076 /- charged to surplus of Profit & Loss Account.

B. Chhawchharia & Co. * Chartered Accountants * New Delhi

NOTES TO THE ACCOUNTS

| | Face Value per share | No. of Shares | AS AT 30.09.2014 | No. of Shares | AS AT 31.03.2014 |
|---|---|---|---|---|---|
| 12 NON-CURRENT INVESTMENTS | | | ₹ | | ₹ |
| **In Immovable Properties:** | | | | | |
| Retail space at Village Centre, Bhiwadi | | | 88,515,920 | | 88,515,920 |
| Building at W-177, Greater Kailash - II, New Delhi | | | 32,939,879 | | 32,939,879 |
| Land at RIICO Industrial Area, Bhiwadi, Rajasthan | | | 3,613,539 | | 3,613,539 |
| Building at Ashiana Plaza, Patna | | | 1,616,571 | | 1,616,571 |
| Roof rights, Ashiana Trade Centre, Jamshedpur | | | 1,500,000 | | 1,500,000 |
| Bageecha office, Bhiwadi | | | 313,042 | | 313,042 |
| Flats at Utsav, Bhiwadi | | | 7,432,216 | | 7,432,216 |
| 21 nos single room flats in Rangoli-II at Bhiwadi | | | 93,500 | | 93,500 |
| | | | 136,024,667 | | 136,024,667 |
| **In Capital of Partnership Firms:** | | | | | |
| Ashiana Manglam Developers | | | 36,151,198 | | 49,891,180 |
| Ashiana Green Wood Developers | | | 9,263,243 | | 8,922,799 |
| Megha Colonizers - Rangoli Division | | | (388,924,264) | | (480,215,278) |
| Ashiana Manglam Builders | | | 38,835,384 | | 51,824,891 |
| | | | (304,674,439) | | (369,576,408) |
| (A) | | | (168,649,772) | | (233,551,741) |
| **In Fully paid up Equity Shares:** | ₹ | | ₹ | | |
| Quoted | | | | | |
| IFGL Refractories Ltd | 10 | - | - | 10,224 | 790,939 |
| Elite Leasings Ltd. | 10 | 3,750 | 6,218 | 3,750 | 6,218 |
| Unquoted | | | | | |
| Adityapur Toll Bridge Company Ltd. | 10 | 20,000 | 200,000 | 20,000 | 200,000 |
| **In Government Securities** | | | | | |
| National Saving Certificate | | | 70,000 | | 50,000 |
| (B) | | | 276,218 | | 1,047,157 |
| **Total (A) + (B)** | | | (168,373,554) | | (232,504,584) |

B. Chhawchharia & Co. New Delhi Chartered Accountants

NOTES TO THE ACCOUNTS

13 CURRENT INVESTMENTS

| | Face Value per unit | No. of Units | AS AT 30.09.2014 | No. of Units | AS AT 31.03.2014 |
|---|---|---|---|---|---|
| (i) In Mutual Funds (Unquoted) | | | | | |
| Reliance Income Fund Growth Plan | 10 | - | - | 2,958,069.367 | 120,000,000 |
| SBI Magnum Income Fund - Regular Plan - Growth | 10 | - | - | 2,609,028.744 | 79,600,000 |
| SBI Dynamic Bond Fund- Regular Plan - Growth | 10 | - | - | 5,621,055.050 | 77,800,000 |
| Sbi Magnum Income Regular- Gr | 10 | | | 327,553.113 | 10,000,000 |
| Sbi Dynamic Bond Fund- Reg Growth | 10 | | | 857,270.310 | 12,296,000 |
| UTI Treasury Advantage Fund - IP -DP- Growth | 1000 | - | - | 6,847.566 | 14,000,000 |
| UTI Liquid Cash Plan | 1000 | | | 11,755.957 | 24,525,966 |
| JM High Liquidity Fund - Growth Option | 10 | | | 232,057.597 | 8,000,000 |
| Dsp blackrock Income Opportunity Fund-RP-Growth | 10 | 4,806,167.274 | 100,000,000 | 969,655.634 | 17,490,620 |
| HDFC Mid- Cap Opportunities-G | 10 | - | - | 230,506.390 | 3,499,700 |
| HDFC Top 200 Fund- Growth Option | 100 | - | - | 21,315.000 | 4,386,900 |
| HDFC Top 200 Fund- Growth Option | 100 | - | - | 28,740.920 | 5,938,813 |
| Kotak Floter Short Term Fund | 10 | - | - | 9,162.047 | 18,009,227 |
| Morgan Stanley Short Term Bond Fund | 10 | - | - | 22,126.320 | 226,223 |
| Morgan Stanley Multi Assets Fund-QD | 10 | - | - | 784,846.800 | 7,867,763 |
| Morgan Stanley Multi Assets Plan A-G | 10 | - | - | 329,939.670 | 3,500,000 |
| IDFC Money Manager Investment Reg- DM Dividend | 10 | | | 193,362.240 | 1,975,551 |
| Birla Sun Life Cash Plus | 100 | 744,922.380 | 157,510,555 | 2,502.608 | 500,000 |
| Birla Sun Life Short Term Opportunities Fund - Growth Regul | 10 | 4,762,970.296 | 100,000,000 | 246,500.919 | 5,000,000 |
| Morgan Stanley Liquid fund - daily dividend | 1000 | - | - | 1,600.047 | 1,600,847 |
| Baroda Pioneer Liquid Fund Plan A Daily Dividend | 1000 | 898.990 | 900,000 | - | - |
| Birla Sun Life Cash Manager | 100 | 223,087.254 | 70,592,155 | - | - |
| Kotak Income Opportunities Fund | 10 | 2,133,515.3930 | 30,000,000 | - | - |
| HDFC Top 200 Fund- Growth Option | 10 | 21,315.000 | 4,386,900 | - | - |
| HDFC Top 200 Fund- Growth Option | 10 | 10,805.990 | 2,436,475 | - | - |
| Birla Sun Life Cash Plus -Growth Regular Plan | 100 | 26,150.879 | 5,571,353 | - | - |
| Birla Sun Life Short-term Opportunity Fund | 10 | 236,856.815 | 5,000,000 | - | - |
| Pramerica Credit Opportunities Fund | 1000 | 1,575.618 | 2,000,000 | - | - |
| Templeton India Income Opportunities Fund | 10 | 337,363.700 | 5,000,000 | - | - |
| Templeton India Term Income Plan | 1000 | 2,084.650 | 5,500,000 | - | - |
| (ii) In Bonds (quoted) | | | 161,000,000 | | 154,330,000 |
| | | | 649,897,438 | | 570,547,610 |
| Less : Provision for Diminution in value of investment | | | - | | 4,853,749 |
| | | | 649,897,438 | | 565,693,861 |
| Aggregate amount of Quoted Investments | | | 161,000,000 | | 154,330,000 |
| Aggregate amount of Unquoted Investments | | | 488,897,438 | | 411,363,861 |
| Repurchase Price of units of mutual funds | | | 502,191,734 | | 428,046,011 |
| Market value of Quoted Investments | | | 164,345,800 | | 154,384,800 |

B. Chhawchharia & Co. * New Delhi * Chartered Accountants

## NOTES TO THE ACCOUNTS

| | AS AT 30.09.2014 (₹) | AS AT 31.03.2014 (₹) |
|---|---|---|
| **14 INVENTORIES** | | |
| Stock | | |
| Land : | | |
| Projects Launched | 1,323,093,869 | 900,261,245 |
| Others | 692,043,870 | 930,619,804 |
| Unsold completed constructions | 153,826,352 | 157,746,777 |
| Work-in-progress | 2,811,239,205 | 1,680,443,521 |
| Construction materials | 117,330,901 | 108,097,925 |
| Other Consumables | 3,318,523 | 2,761,860 |
| | 5,100,852,721 | 3,779,931,132 |

| | AS AT 30.09.2014 (₹) | AS AT 31.03.2014 (₹) |
|---|---|---|
| **15 TRADE RECEIVABLES** | | |
| (Unsecured, Considered Good) | | |
| Due for more than six months | 46,741,146 | 43,949,210 |
| Other Debts | 82,046,596 | 51,737,816 |
| | 128,787,742 | 95,687,026 |

| | AS AT 30.09.2014 (₹) | AS AT 31.03.2014 (₹) |
|---|---|---|
| **16 CASH AND CASH EQUIVALENTS** | | |
| Cash-in-hand | 4,626,000 | 4,179,642 |
| Cheques-in-hand | - | 17,636,678 |
| Balances with Scheduled Banks : | | |
| In Current Account | 261,355,565 | 212,671,767 |
| In Unclaimed Dividend Account | 10,071,525 | 10,071,525 |
| In Fixed Deposit Account | 364,626,741 | 301,893,095 |
| Fixed Deposit with Others | 75,860,134 | 25,860,134 |
| | 716,539,965 | 572,312,841 |

| | AS AT 30.09.2014 (₹) | AS AT 31.03.2014 (₹) |
|---|---|---|
| **17 SHORT TERM LOANS AND ADVANCES** | | |
| (Unsecured, considered good unless otherwise stated) | | |
| Advance/Deposit against land/development rights | | |
| Project Launched | 98,637,758 | 100,366,291 |
| Others | 386,999,359 | 350,450,111 |
| Advance against purchase of EWS/LIG units | 31,969,600 | 5,100,000 |
| Loan to Other* | 232,100,000 | - |
| Advances recoverable in cash or in kind or for value to be received | 179,135,043 | 149,387,814 |
| Unaccrued Selling Expenses | 210,570,996 | 121,018,769 |
| Deposits | 16,998,570 | 13,241,523 |
| Taxation Advances and Refundable (Net of Provisions) | 40,264,895 | 36,363,348 |
| | 1,196,676,221 | 775,927,856 |
| * Includes Secured | 200,000,000 | - |

| | AS AT 30.09.2014 (₹) | AS AT 31.03.2014 (₹) |
|---|---|---|
| **18 OTHER CURRENT ASSETS** | | |
| Preliminary Expenses | - | 14,176 |
| (To the extent not written off or adjusted) | | |
| | - | 14,176 |

| NOTES TO THE ACCOUNTS | APRIL 2014 TO SEPTEMBER 2014 | APRIL 2013 TO SEPTEMBER 2013 |
|---|---|---|
| | (₹) | (₹) |
| 19 REVENUE FROM OPERATIONS | | |
| **Real Estate:** | | |
| a) Completed Projects (on Possession) | 8,615,775 | 507,043,112 |
| b) Ongoing Projects | - | 31,107,835 |
| c) Sale of Land | 20,000,000 | - |
| **Real Estate Support Operations** | 100,700,985 | 74,986,400 |
| **Hotel & club:** | | - |
| Rooms, Restaurant, Banquets and other services | 50,062,424 | 65,908,426 |
| | 179,379,184 | 679,045,773 |
| 20 INCOME FROM PARTNERSHIP | | |
| Share of profit | 172,056,617 | 59,273,166 |
| Project Management Fees | 25,988,500 | 40,277,400 |
| | 198,045,117 | 99,550,566 |
| 21 OTHER INCOME | | |
| Interest | 28,483,598 | 26,409,121 |
| Income from Investments: | | |
| Interest on Bonds/Debentures | 5,120,056 | - |
| Rent | 5,927,063 | 5,136,689 |
| Dividend : | 2,562 | 15,336 |
| Profit on sale of investments | 28,837,688 | 25,932,449 |
| Fee and Subscription | 1,445,137 | 1,387,401 |
| Rent and Hire charges | 761,772 | 795,708 |
| Miscellaneous Income | 3,926,093 | 3,612,665 |
| Liabilities Written Back | 380,211 | 9,573 |
| Provision for Dimunition in Value of Investment written back | 4,853,749 | - |
| | 79,737,929 | 63,298,942 |
| 22 PURCHASES | | |
| Land / Development Rights | 198,060,493 | 203,292,026 |
| | 198,060,493 | 203,292,026 |
| 23 PROJECT EXPENSES | | |
| Consumption of construction materials (Indigenous) | 687,505,439 | 288,028,156 |
| Wages | 76,099,381 | 39,895,372 |
| PRW Charges | 129,082,272 | 45,642,994 |
| Other Direct Construction Expenses | 63,382,062 | 33,163,992 |
| Power & Fuel | 14,776,673 | 6,555,619 |
| Architects' Fee & Consltancy Charges | 21,218,001 | 8,036,028 |
| Employee Benefit Expenses | 42,984,295 | 33,539,485 |
| Rent | 173,194 | 133,858 |
| Insurance | 911,627 | 82,308 |
| Repair & Maintenance | | |
| To Machineries | 1,297,151 | 1,089,655 |
| To Building | 157,141 | 39,937 |
| To Others | 769,032 | 1,734,712 |
| Financial Cost | 17,521,013 | - |
| Miscellaneous project expenses | 75,289,540 | 63,079,025 |
| Depreciation | 1,203,425 | 19,679 |
| | 1,132,370,245 | 521,040,819 |
| 24 CHANGES IN INVENTORIES | | |
| Opening Stock : | | |
| Land/Development Rights | | |
| Project Launched * | 900,261,245 | 440,961,091 |
| Others | 930,619,804 | 728,501,097 |
| Unsold completed construction * | 157,746,776 | 113,071,798 |
| Work-in-progress | 1,680,443,521 | 644,967,612 |
| | 3,669,071,346 | 1,927,501,598 |
| Less: Closing Stock: | | |
| Land/Development Rights | | |
| Project Launched | 1,323,093,869 | 1,151,122,814 |
| Others | 692,043,870 | 158,157,258 |
| Unsold completed construction | 153,826,352 | 138,811,687 |
| Work-in-progress | 2,811,239,205 | 864,673,836 |
| | 4,980,203,297 | 2,312,765,595 |
| | (1,311,131,951) | (385,263,997) |
| * Net of ongoing project adjustment | - | 14,979,902 |

B. Chawchharia & Co. * New Delhi * Chartered Accountants

| NOTES TO THE ACCOUNTS | APRIL 2014 TO SEPTEMBER 2014 (₹) | APRIL 2013 TO SEPTEMBER 2013 (₹) |
|---|---|---|
| **25 HOTEL & CLUB EXPENSES** | | |
| Consumables (indigenous) | 8,345,203 | 10,602,407 |
| Personnel | 6,117,147 | 5,384,007 |
| Management Fee | 2,336,907 | 3,614,000 |
| Power & fuel | 6,807,039 | 5,688,622 |
| Other running expenses | 4,105,980 | 7,083,099 |
| | 27,712,277 | 32,372,135 |
| **26 REAL ESTATE SUPPORT OPERATIONS EXPENSES** | | |
| Consumption of Maintenance Materials (Indigenous) | 8,948,544 | 4,837,630 |
| Work Charges | 21,272,620 | 15,397,862 |
| Power & Fuel (net) | 8,226,649 | 3,981,652 |
| Repairs and Maintenance - To Machineries | 5,277,172 | 2,370,179 |
| Security charges | 12,108,276 | 9,393,666 |
| Other Maintenance Expenses | 1,450,616 | 2,925,878 |
| | 57,283,877 | 38,906,867 |
| **27 EMPLOYEE BENEFIT EXPENSE** | | |
| Salary and allowances | 77,850,116 | 64,571,536 |
| Directors' Remuneration | 9,000,000 | 11,935,264 |
| Contribution to Provident & Other Funds | 1,913,455 | 1,764,737 |
| Staff & Labour welfare expenses | 14,678,820 | 11,756,262 |
| | 103,442,391 | 90,027,799 |
| **28 FINANCE COSTS** | | |
| Interest | | |
| - On Term Loan | 6,978,822 | 8,547,766 |
| - Others | 2,039,837 | 962,773 |
| | 9,018,659 | 9,510,539 |
| **29 OTHER EXPENSES** | | |
| Rent | 10,101,420 | 4,753,429 |
| Rates and Taxes | 1,861,077 | 2,392,587 |
| Insurance | 663,520 | 553,560 |
| Travelling and Conveyance | 10,669,896 | 13,274,517 |
| Legal and Professional expenses | 4,468,631 | 4,554,672 |
| Commission | 112,808 | 132,937 |
| Repairs and Maintenance : | | |
| To Machineries | 752,520 | 940,917 |
| To Building | 3,863,534 | 2,711,924 |
| To Others | 5,892,416 | 11,706,706 |
| Auditors' Remuneration : | | |
| For Internal Audit | 569,163 | 311,469 |
| For Other Services | 123,685 | 167,429 |
| Miscellaneous expenses | 31,194,977 | 16,828,053 |
| Irrecoverable Balances Written off | 6,167 | 6,713 |
| Fixed Assets written off | 25,559 | - |
| Loss on Sale of fixed assets | 3,333 | 1,927,171 |
| Items relating to previous year (Net) | 108,298 | 190,059 |
| Preliminary Expenses written off | 14,176 | - |
| | 70,431,180 | 60,452,143 |
| **30 TAX EXPENSES** | | |
| Current tax | | |
| Income Tax | 2,493,612 | 47,500,404 |
| Tax Adjustments | 3,072,262 | - |
| | 5,565,874 | 47,500,404 |
| Deferred Tax | | |
| Deferred Tax | (13,076,000) | - |
| | (7,510,126) | 47,500,404 |

B. Chhawchharia & Co. * Chartered Accountants * New Delhi

ASHIANA HOUSING LIMITED

UNAUDITED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2014

| | April 2014 to September 2014 | April 2013 to September 2013 |
|---|---|---|
| | ₹ | ₹ |
| **CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| **Net Profit before tax and extraordinary items** | 109,060,653 | 220,399,322 |
| Adjusted for : | | |
| Depreciation | 40,815,356 | 14,555,677 |
| Depreciation charged to Project Expenses | 1,203,425 | 19,679 |
| Interest Income (other than from customers) | (24,334,395) | (22,978,774) |
| Income from Investments | (206,823,930) | (90,357,640) |
| Provision for Diminution in value of Investments/ (written back) | (4,853,749) | - |
| Interest Paid | 9,018,659 | 9,510,539 |
| Preliminary Expenses written off | 14,176 | - |
| Fixed Assets written off | 25,559 | - |
| Minority Interest | (78,126) | 888 |
| Provision for Employee Benefits | 2,445,974 | 2,486,038 |
| (Profit) / Loss on sale of Fixed Assets | 3,333 | 1,927,171 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | (73,503,065) | 135,562,900 |
| Adjusted for : | | |
| Trade and other receivables | (449,947,534) | (40,408,216) |
| Inventories | (1,320,921,589) | (416,113,933) |
| Trade Payables and advances from customers | 1,792,170,738 | 545,221,454 |
| **CASH GENERATED FROM OPERATIONS** | (52,201,450) | 224,262,206 |
| Direct Taxes paid / adjusted | (9,467,422) | (34,463,682) |
| Cash flow before extra ordinary items | (61,668,872) | 189,798,524 |
| Extra Ordinary items | - | - |
| **Net cash from Operating activities (A)** | (61,668,872) | 189,798,524 |
| **CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Purchase of Fixed Assets | (97,065,960) | (51,182,857) |
| Sale of Fixed Assets | 122,355 | 3,694,900 |
| Net change in Investments | 57,413,447 | (217,675,935) |
| Interest Income | 24,334,395 | 22,978,774 |
| Other Income from Investments | 5,929,625 | 5,152,025 |
| **Net Cash from investing activities (B)** | (9,266,138) | (237,033,093) |
| **CASH FLOW FROM FINANCING ACTIVITIES :** | | |
| Proceeds from long term and other borrowings | 304,588,459 | 14,025,021 |
| Interest Paid | (9,018,659) | (9,510,539) |
| Profit & Loss Adjustment | - | 337,671 |
| Dividend paid | (54,431,793) | (45,325,640) |
| Change in Minority Interest | (25,975,873) | (42,820,149) |
| **Net Cash used in Financing activities (C)** | 215,162,134 | (83,293,636) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)** | 144,227,124 | (130,528,205) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD** | 572,312,841 | 576,373,532 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | 716,539,965 | 445,845,327 |

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

Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
Date: 12th January, 2015

B. Chhawchharia & Co. Chartered Accountants New Delhi

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholetime Director)

Vikash Dugar
(Chief Financial Officer)

Nitin Sharma
(Company Secretary)

31 EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1) PRINCIPLES OF CONSOLIDATION

The Unaudited interim condensed consolidated financial statements comprises of the interim financial statements of Ashiana Housing Limited (the Parent) and its subsidiaries.The interim condensed consolidated financial statements of the group have been prepared in accordance with Accounting Standard 25 on "Interim Financial Reporting" and Accounting Standard 21 on "Consolidated Financial Statements" issued pursuant to Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act ,1956 , read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act , 2013 , and other accounting principles generally accepted in india .

The condensed Consolidated Financial Statements are prepared on the following basis:

a) Condensed Consolidated Financial Statements normally include consolidated Balance Sheet, consolidated statement of Profit & Loss, consolidated statement of Cash flows and notes to the condensed Consolidated Financial Statements and explanatory statements that form an integral part thereof. The condensed Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.

b) The condensed Consolidated Financial Statements include the financial statements of the Company and all its subsidiaries.

c) The condensed Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating inter-group balances / transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent Company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated.

d) Minority interest represents the amount of equity attributable to minority shareholders / partners at the date on which investment in a subsidiary is made and its share of movements in equity since that date.

e) Notes to the condensed Consolidated Financial Statements represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the condensed Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary, Joint Ventures and / or a parent having no bearing on the true and fair view of the condensed Consolidated Financial Statements have not been disclosed in the condensed Consolidated Financial Statements.

f) Partnership firms, being Company's jointly controlled entities, consolidation whereof is not feasible in view of nature of their capital structure and respective partnership arrangements, are not considered in these Financial Statements.

2) The subsidiaries (which along with Ashiana Housing Ltd., the parent, constitute the Group) considered in the preparation of these condensed Consolidated Financial Statements are:

| Name | Country of Incorporation/ Formation | Percentage of voting power/ Profit sharing as at 30th September, 2014 | Percentage of voting power/ Profit sharing as at 31st March, 2014 |
|---|---|---|---|
| Ashiana Maintenance Services Limited | India | 100% | 100% |
| Latest Developers Advisory Ltd | India | 100% | 100% |
| Topwell Projects Consultants Ltd. | India | 100% | 100% |
| Neemrana Builders LLP | India | 98.50% | 98.50% |
| MG Homecraft LLP | India | 98.50% | 98.50% |
| Ashiana Amar Developers | India | 100% * | 100% * |
| Vista Housing | India | 50% ** | 50% ** |

* 5% Held by Ashiana Maintenance Services Limited, a wholly owned Subsidiary Company.

** Ashiana Housing Limited controls the composition of the Governing Body.

3) The accounting policies followed in preparation of these unaudited interim condensed consolidated financial statements are consistent with those followed in the most recent annual consolidated financial statements of the company , i.e. for the year ended 31st March 2014 except for following:

a) Change in estimate of useful life of certain tangible assets

Pursuant to the Companies Act, 2013 ("the Act"), the management, based on technical evaluation has reassessed the useful life of fixed assets. Consequently, the depreciation charge for the six months period ended 30th september, 2014 is higher by Rs. 113.07 Lacs. In accordance with the Act, the carrying value of the fixed assets as at April 1, 2014 is depreciated over the revised residual life of the fixed asets and where the revised residual life of the fixed assets is Nil as at that date, the carrying value of the fixed assets, after retaining the residual value, has been adjusted to the Surplus in the statement of Profit and Loss of previous years. Consequently, that surplus has been reduced by 191.92 Lacs (Net of Deferred Tax).

Depreciation on tangible asset is calculated on Straight Line Method (SLM) using the rates arrived at based on the residual useful lives estimated by the management, or those prescribed under Schedule II to the Companies Act, 2013, however, the depreciation on the fixed assets held by subsidiary partnership firms/ Limited Liability Partnership firms is provided at the rate as specified in Income Tax Rules, 1962. The life considered for the major tangible assets are as under:

| Asset class | Useful Life |
|---|---|
| Buildings | 60 Years |
| Plant & Machinery | 5 Years - 15 Years |
| Furniture & Fixtures | 8 Years - 10 Years |
| Electrical Installations | 10 Years |
| Equipments and Facilities | 5 Years |
| Computer Hardwares | 3 Years |
| Vehicles | 5 Years - 10 Years |

b) Selling expenses in the form of Employee Cost of sales personnel directly attributable to specific projects are being charged to Profit & Loss A/c in the year in which sale thereof is offered for taxation. Due to the aforesaid change, profit for the six months ended 30th September, 2014 is higher by Rs. 45.18 Lacs.

4) Contingent Liability, not provided for, in respect of :

a) Claims not acknowledged as debts

| | | |
|---|---|---|
| Cess - Sonari land | ₹ 54.28 lacs | (₹ 54.28 lacs) |
| Service Tax | ₹ 105.61 lacs | (₹ 95.92 lacs) |
| Bank Guarantee | ₹ 1344 lacs | (₹ 1375 lacs) |
| Income Tax | ₹ 51.59 lacs | (₹ 51.59 lacs) |
| Entry Tax | ₹ 9.35 lacs | (₹ 9.35 lacs) |

b) Contested claim of the Government of Rajasthan for refund of State Capital Subsidy including interest ₹ 55.79 lacs (₹ 55.79 lacs) against which the company has deposited ₹ 55.79 lacs (₹ 55.79 Lacs) under protest.

c) Contested claim of Secretary, UIT, Bhiwadi for payment of Completion Certificate Charges amounting to ₹ 12.53 lacs (₹12.53 lacs) against which the company has deposited ₹ 12.53 lacs (₹ 12.53 lacs) under protest.

d) Contested claim of a customer pursuant to the order of the District Consumer Forum ₹ 10 lacs (₹ 10 Lacs) against which the company has deposited ₹ 10 lacs (₹ 10 Lacs) under protest.

5) Company's projects Ashiana Anantara, Jamshedpur, Ashiana Navrang, Halol, and Ashiana Anmol, Sohna are being developed under Development Agreement with respective land owners on revenue sharing basis and Ashiana Dwarka, Jodhpur is being developed on area sharing basis.

B. Chhawchharia & Co. New Delhi Chartered Accountants

NOTES TO THE ACCOUNTS

6) Company's land at Milakpur Gujar, Alwar (Rajasthan) admeasuring 15.02 hectares, appearing in these accounts at book value of ₹ 338.97 Lacs, is under acquisition, 12.834 hectares for residential purposes and 2.186 hectares for development of road, by the Government of Rajasthan. Company's writ petition is pending before the Hon'ble High Court of Rajasthan against acquisition of 12.834 hectares. A compensation of ₹ 3597.88 Lacs has been declared by the Government which and interest thereon shall be considered in the accounts on finality and receipt.

7) Construction work in company's commercial project 'Marine Plaza' on land at Sonari, Jamshedpur, sub-leased by Tata Steel Ltd., was stopped by the Jamshedpur Notified Area Committee (JNAC) alongwith works in approx. fifty other projects in Jamshedpur. In response to company's writ petition, the Hon'ble High Court of Jharkhand, by its order dated 17.12.2014 has permitted the company to carry out further construction and allowed the petition to the extent that, if the State Govt. decides to conduct an enquiry in the matter, the same must be completed on or before 31.03.2015.

8) Following have not been considered in these interim financial statements:

a) Expenditure on account of Rajasthan Vat amounting to Rs.127.10 Lacs (which is paid as on date) and Jharkhand Vat, ammount whereof has not been determined.

b) Provision for long term employee benefits, being Gratuity and Leave pay, for the period has been accounted for on as estimated by the management and the same will be determined on acturial basis at the end of the year.

9) In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006, the company has determined its business segment as Real Estate Business. Since there are no other business segments in which the company 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.

10) The earning per share has been calculated as specified in Accounting Standard 20 on "Earnings Per Share" issued by ICAI and related disclosures are as below :

| | 1st April 2014 to 30th Sep 2014 | 1st April 2013 to 30th Sep 2013 |
|---|---|---|
| a) Amount used as numerator in calculating basic and diluted EPS: Profit after tax (₹ in lacs) | 1,164.93 | 1,729.00 |
| b) Weighted average number of equity shares used as the denominator in calculating EPS (Nos. in lacs). | | |
| Opening Balance | 930.50 | 930.50 |
| | 930.50 | 930.50 |

11) a) Previous period figures above are indicated in brackets.

b) Previous period figure have been regrouped/rearranged, wherever found necessary.

Signature to Notes "1 to 31"

In terms of our report of even date attached herewith

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

Abhishek Gupta
Partner
Membership No: 529082
Place: New Delhi
Date: 12th January, 2015

Vishal Gupta
(Managing Director)

Ankur Gupta
(Jt. Managing Director)

Varun Gupta
(Wholetime Director)

Vikash Dugar
(Chief Financial Officer)

Nitin Sharma
(Company Secretary)

B. Chhawchharia & Co. ★ Chartered Accountants ★ New Delhi

# Auditors' Report

**To the Board of Directors of ASHIANA HOUSING LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of ASHIANA HOUSING LIMITED and its subsidiaries, which comprises the consolidated Balance Sheet as at 31st March, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 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 consolidated 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 consolidated 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:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
(c) in the case of the consolidated 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**
**Partner**
**Membership No: 529082**

**Place: New Delhi**
**Date: 30th May, 2014**

# Balance Sheet

as at 31st March, 2014

| Particulars | Notes | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 1 | 186,099,550 | 186,099,550 |
| Reserves & Surplus | 2 | 2,658,457,614 | 2,494,579,308 |
| | | 2,844,557,164 | 2,680,678,858 |
| **Non-current Liabilities** | | | |
| Long Term Borrowings | 3 | 91,284,084 | 110,502,784 |
| Deferred Tax Liabilities (Net) | 4 | 34,418,000 | 36,667,000 |
| Other Long Term Liabilities | 5 | 206,609,590 | 185,069,870 |
| Long Term Provisions | 6 | 25,670,265 | 17,813,377 |
| | | 357,981,939 | 350,053,031 |
| **Current Liabilities** | | | |
| Short Term Borrowings | 7 | - | 223,384 |
| Advance from Customers | 8 | 2,630,048,484 | 836,732,846 |
| Trade Payables | 9 | 115,808,766 | 84,114,895 |
| Other Current Liabilities | 10 | 155,462,855 | 132,828,715 |
| Short-term Provisions | 11 | 54,431,793 | 48,665,149 |
| | | 2,955,751,898 | 1,102,564,989 |
| **Minority Interest** | | (30,966,733) | (13,756,404) |
| | | 6,127,324,268 | 4,119,540,474 |
| **ASSETS** | | | |
| **Non-current Assets** | | | |
| Fixed Assets: | 12 | | |
| Tangible Assets | | 544,463,606 | 442,259,661 |
| Intangible Assets | | 12,977,732 | 15,100,085 |
| Intangible Assets under development | | - | 1,266,000 |
| Capital Work in Progress | | 12,820,622 | - |
| | | 570,261,960 | 458,625,746 |
| Non-Current Investments | 13 | (232,504,584) | 165,340,439 |
| | | 337,757,376 | 623,966,185 |
| **Current Assets** | | | |
| Current Investments | 14 | 565,693,861 | 382,986,827 |
| Inventories | 15 | 3,779,931,132 | 1,992,305,333 |
| Trade Receivables | 16 | 95,687,026 | 122,155,667 |
| Cash & Cash Equivalents | 17 | 572,312,841 | 576,373,532 |
| Short Term Loans & Advances | 18 | 775,927,856 | 421,724,578 |
| Other Current Assets | 19 | 14,176 | 28,352 |
| | | 5,789,566,892 | 3,495,574,289 |
| | | 6,127,324,268 | 4,119,540,474 |
| SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS | 33 | | |

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**

**Vishal Gupta**
Managing Director

**Ankur Gupta**
Jt. Managing Director

**Varun Gupta**
Wholetime Director

**Abhishek Gupta**
**Partner**
**Membership No. 529082**
**Place: New Delhi**
**Date: 30th May, 2014**

**Bhagwan Kumar**
Company Secretary

**Manojit Sengupta**
General Manager - F&A

# Profit & Loss Account

for the year ended 31st March, 2014

| Particulars | Notes | 2013 - 2014 ₹ | 2012 - 2013 ₹ |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 20 | **864,335,789** | 1,344,010,261 |
| Income from Partnership | 21 | **242,180,790** | 142,540,792 |
| Other Income | 22 | **121,450,991** | 127,635,895 |
| | | **1,227,967,569** | **1,614,186,948** |
| **EXPENSES** | | | |
| Direct Costs: | | | |
| Purchases | 23 | **716,309,873** | 617,874,519 |
| Project Expenses | 24 | **1,384,599,046** | 868,645,027 |
| Ongoing Project Expenses Adjusted | | **1,769,456** | 26,470,721 |
| Changes in Inventories | 25 | **(1,714,957,291)** | (780,886,501) |
| Hotel and Club Expenses | 26 | **67,354,543** | 57,883,460 |
| Real Estate Support Operations Expenses | 27 | **79,822,060** | 61,807,152 |
| | | **534,897,688** | **851,794,378** |
| Employee Benefits Expense | 28 | **185,600,625** | 144,210,775 |
| Advertisement & Business Promotion | | **46,601,776** | 38,802,819 |
| Finance Costs | 29 | **18,331,411** | 30,301,156 |
| Other Expenses | 30 | **142,020,077** | 102,682,653 |
| Depreciation & Amortization expenses | | **30,457,200** | 26,004,622 |
| | | **957,908,777** | **1,193,796,403** |
| **Profit Before extraordinary items and tax** | | **270,058,792** | 420,390,545 |
| **Extraordinary Item** | 31 | **10,917,834** | - |
| | | **259,140,958** | 420,390,545 |
| **Tax Expenses :** | 32 | | |
| i) Current Tax | | **42,748,248** | 83,361,879 |
| ii) Deferred Tax | | **(2,249,000)** | 5,557,000 |
| **Total Tax Expense** | | **40,499,248** | **88,918,879** |
| Less : Minority Interest | | **5,830** | (1,415) |
| **Profit for the Year after tax** | | **218,635,880** | **331,473,081** |
| Earning Per Share (On Shares of nominal value of ₹ 2/- each) Basic and Diluted | | **2.35** | **3.56** |

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**

**Vishal Gupta** — Managing Director
**Ankur Gupta** — Jt. Managing Director
**Varun Gupta** — Wholetime Director

**Abhishek Gupta**
**Partner**
**Membership No. 529082**
**Place: New Delhi**
**Date: 30th May, 2014**

**Bhagwan Kumar** — Company Secretary
**Manojit Sengupta** — General Manager - F&A

| | Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|---|
| 1 | **SHARE CAPITAL** | | |
| | Authorised : | | |
| | 175000000 (P.Y. 35000000) Equity shares of ₹ 2/- (PY ₹ 10) each | **350,000,000** | **350,000,000** |
| | **Issued, Subscribed and Paid up :** | | |
| | 93049775 (P.Y.18609955) Equity shares of ₹ 2/- (PY ₹ 10) each fully paid up | **186,099,550** | 186,099,550 |
| | | **186,099,550** | **186,099,550** |
| 2 | **RESERVES & SURPLUS** | | |
| | **Capital Reserve** | **1,518,000** | 1,518,000 |
| | | **1,518,000** | **1,518,000** |
| | **Securities Premium Reserve** | | |
| | As per Last Account | **14,400,000** | 14,400,000 |
| | | **14,400,000** | **14,400,000** |
| | **General Reserve** | | |
| | As per last Account | **2,257,600,000** | 2,020,600,000 |
| | Add: Transfer from Consolidated Surplus in Profit & Loss Account | **152,000,000** | 237,000,000 |
| | | **2,409,600,000** | **2,257,600,000** |
| | **Surplus/(Deficit) in the statement of Profit and Loss** | | |
| | As per last Account | **221,061,308** | 175,253,375 |
| | Profit for the Year | **218,635,880** | 331,473,082 |
| | Less: Appropriations | | |
| | Proposed dividend | **(46,524,888)** | (41,872,399) |
| | Tax on dividend | **(8,232,687)** | (6,792,750) |
| | Transfer to General Reserve | **(152,000,000)** | **(237,000,000)** |
| | **Net Surplus in the statement of Profit and Loss** | **232,939,614** | **221,061,308** |
| | | **2,658,457,614** | **2,494,579,308** |
| 3 | **LONG -TERM BORROWINGS:** | | |
| | **SECURED LOANS** | | |
| | **Term Loan** | | |
| | a) From Bank | | |
| | Corporate Loan -From AXIS Bank Limited | **108,333,340** | 133,333,336 |
| | Secured by exclusive mortgage on "TreeHouse" Hotel with 101 rooms and retail mall of 38,687 sq. ft. at Village Centre, Vasundhara Colony, Bhiwadi Dist. Alwar | | |
| | Terms of Repayment : 72 equal monthly installments commencing from 31.08.2012 | | |
| | **Vehicle Loan** | | |
| | a) From Banks: | | |
| | HDFC Bank Limited | **14,478,995** | 4,576,028 |
| | b) From Others: | | |
| | Tata Capital Ltd | **325,921** | 945,502 |
| | Secured against hypothecation of vehicles financed by them. | | |
| | Terms of Repayment: | | |
| | ₹ 1,40,18,874/- Under 36 EMI Scheme | | |
| | ₹ 7,86,042/- Under 60 EMI Scheme | | |
| | | **123,138,257** | 138,854,866 |
| | Less : Current Maturity (Refer Note No. 10) | **31,854,173** | 28,352,082 |
| | | **91,284,084** | **110,502,784** |

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **4 DEFERRED TAX LIABILITIES (NET)** | | |
| Deferred Tax Liability on Fiscal allowance of fixed assets | **50,911,000** | 42,512,000 |
| Less: Deferred Tax Assets on | | |
| - Fiscal allowance of unabsorbed losses | **6,589,000** | - |
| - Employee Benefits | **8,329,000** | 5,779,000 |
| - Provision for Diminution in value of Investments | **1,575,000** | 66,000 |
| | **34,418,000** | **36,667,000** |
| **5 OTHER LONG TERM LIABILITIES** | | |
| Security Deposit from Treehouse Members | **21,935,986** | 23,412,895 |
| Lease Rent Deposit | **23,076,091** | 23,287,980 |
| Deposit from Customers | **161,597,513** | 138,368,995 |
| | **206,609,590** | **185,069,870** |
| **6 LONG TERM PROVISIONS** | | |
| Provision for Employee Benefits | | |
| - Gratuity | **25,362,972** | 17,813,377 |
| - Leave Pay | **307,293** | - |
| | **25,670,265** | **17,813,377** |
| **7 SHORT-TERM BORROWINGS** | | |
| SECURED LOANS | | |
| Loan Repayable on Demand | | |
| From HDFC Bank Limited - Bank Overdraft | - | 223,384 |
| (Secured against pledge of Fixed Deposit Receipts) | | |
| | **-** | **223,384** |
| **8 ADVANCE FROM CUSTOMERS** | | |
| Customer Advance | **2,669,270,344** | 902,224,829 |
| Less: Ongoing Projects Adjustment Account | **39,221,860** | 65,491,983 |
| | **2,630,048,484** | **836,732,846** |
| **9 TRADE PAYABLES** | | |
| Sundry Creditors | **115,808,766** | 84,114,895 |
| | **115,808,766** | **84,114,895** |
| **10 OTHER CURRENT LIABILITIES** | | |
| Current maturities of long-term debt (Refer Note No. 3) | **31,854,173** | 28,352,082 |
| Interest accrued but not due on borrowings | **93,398** | 36,454 |
| Interest accrued and due on borrowings | **1,265,240** | 1,523,145 |
| (Auto debited on 02.04.2014) | | |
| Unclaimed Dividends | **10,071,525** | 8,579,523 |
| Security deposits | **17,426,079** | 14,764,694 |
| Other liabilities | **86,958,768** | 71,818,566 |
| Maintenance Fund | **7,793,672** | 7,754,250 |
| | **155,462,855** | **132,828,715** |
| **11 SHORT-TERM PROVISIONS** | | |
| For Proposed Dividend | **46,524,888** | 41,872,399 |
| For Tax on Dividend | **7,906,905** | 6,792,750 |
| | **54,431,793** | **48,665,149** |

## 12 FIXED ASSETS

| Particulars | GROSS BLOCK As at 01.04.2013 ₹ | GROSS BLOCK Additions/ (Deductions) ₹ | GROSS BLOCK As at 31.03.2014 ₹ | DEPRECIATION / AMORTIZATION Up to Last year ₹ | DEPRECIATION / AMORTIZATION For the year ₹ | DEPRECIATION / AMORTIZATION Up to 31.03.2014 ₹ | NET BLOCK As at 31.03.2014 ₹ | NET BLOCK As at 31.03.2013 ₹ |
|---|---|---|---|---|---|---|---|---|
| TANGIBLE ASSETS | | | | | | | | |
| BUILDING | 233,070,684 | 238,640 | **233,309,324** | 30,375,276 | 6,663,143 | **37,038,419** | **196,270,905** | 202,695,408 |
| PLANT & MACHINERY | 176,373,875 | 108,246,806 | **280,820,154** | 36,701,188 | 9,837,225 | **44,710,888** | **236,109,266** | 139,672,687 |
| | | (3,800,527) | | | (1,827,525) | | | |
| FURNITURE & FIXTURES | 48,260,859 | 3,349,884 | **50,909,787** | 14,826,663 | 3,073,781 | **17,598,548** | **33,311,239** | 33,434,196 |
| | | (700,956) | | | (301,896) | | | |
| ELECTRICAL INSTALLATIONS | 14,189,355 | 171,999 | **14,237,920** | 3,458,324 | 653,111 | **4,058,160** | **10,179,760** | 10,731,031 |
| | | (123,434) | | | (53,275) | | | |
| EQUIPMENTS AND FACILITIES | 30,862,373 | 2,874,927 | **33,313,683** | 5,724,400 | 1,522,068 | **7,044,970** | **26,268,713** | 25,137,973 |
| | | (423,617) | | | (201,498) | | | |
| COMPUTERS | 24,958,333 | 3,943,357 | **27,693,994** | 13,640,130 | 3,221,489 | **15,752,286** | **11,941,708** | 11,318,203 |
| | | (1,207,696) | | - | (1,109,333) | | | |
| VEHICLES | 26,894,463 | 19,755,485 | **37,747,412** | 7,624,300 | 3,170,562 | **7,365,397** | **30,382,015** | 19,270,163 |
| | | (8,902,536) | | | (3,429,465) | | | |
| **TOTAL** | 554,609,942 | 138,581,098 | **678,032,274** | 112,350,281 | 28,141,379 | **133,568,668** | **544,463,606** | 442,259,661 |
| | - | (15,158,766) | | | (6,922,992) | | | |
| INTANGIBLE ASSETS | | | | | | | | |
| TRADEMARK AND LOGO | 11,143,152 | - | **11,143,152** | 195,387 | 1,114,315 | **1,309,702** | **9,833,450** | 10,947,765 |
| GOODWILL ON CONSOLIDATION | 21,124 | - | **21,124** | - | - | **-** | **21,124** | 21,124 |
| SOFTWARE | 7,026,238 | 410,789 | **7,381,877** | 2,895,042 | 1,410,003 | **4,258,719** | **3,123,158** | 4,131,196 |
| | | (55,150) | | | (46,326) | | | |
| **TOTAL** | 18,190,514 | 410,789 | **18,546,153** | 3,090,429 | 2,524,318 | **5,568,421** | **12,977,732** | 15,100,085 |
| | | (55,150) | | | (46,326) | | | |
| INTANGIBLE ASSETS UNDER DEVELOPMENT | 1,266,000 | 720,000 | **-** | - | - | **-** | **-** | 1,266,000 |
| | | (1,986,000) | | | | | | |
| CAPITAL WORK IN PROGRESS | - | 12,820,622 | **12,820,622** | - | - | **-** | **12,820,622** | - |
| **GRAND TOTAL** | **574,066,456** | **152,532,509** | **709,399,049** | **115,440,710** | **30,665,697*** | **139,137,089** | **570,261,960** | **-** |
| | | **(17,199,916)** | | | **(6,969,318)** | | | |
| PREVIOUS YEAR FIGURES | 529,363,406 | 46,332,367 | **574,066,456** | 89,431,055 | 26,586,050 | **115,440,710** | **-** | 458,625,746 |
| | | (1,629,317) | | | (576,395) | | | |

*Includes ₹ 208,497/- (P.Y. ₹ 581,428/-) Charged to Project Expenses.

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **13 NON-CURRENT INVESTMENTS** | | |
| In Immovable Properties: | | |
| Retail space at Village Centre, Bhiwadi | **88,515,920** | 88,515,920 |
| Building at W-177, Greater Kailash - II, New Delhi | **32,939,879** | 32,939,879 |
| Land at RIICO Industrial Area, Bhiwadi, Rajasthan | **3,613,539** | 3,613,539 |
| Building at Ashiana Plaza, Patna | **1,616,571** | 1,616,571 |
| Roof rights, Ashiana Trade Centre, Jamshedpur | **1,500,000** | 1,500,000 |
| Bageecha office, Bhiwadi | **313,042** | 313,042 |
| Flats at Utsav, Bhiwadi | **7,432,216** | 7,432,216 |
| Shops, Ashiana Trade Centre, Jamshedpur | **-** | 313,186 |
| 21 nos. single room flats in Rangoli-II at Bhiwadi | **93,500** | 93,500 |
| | **136,024,667** | **136,337,853** |

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **In Capital of Partnership Firms:** | | |
| Ashiana Manglam Developers | **49,891,180** | 115,626,694 |
| Ashiana Green Wood Developers | **8,922,799** | 13,544,648 |
| Megha Colonizers - Rangoli Division | **(480,215,278)** | (188,708,742) |
| Ashiana Manglam Builders | **51,824,891** | 87,522,829 |
| | **(369,576,408)** | 27,985,429 |
| (A) | **(233,551,741)** | **164,323,282** |

| Particulars | Face Value per share Units ₹ | No. of Shares/Units | As at 31.03.2014 ₹ | No. of Shares/Units | As at 31.03.2013 ₹ |
|---|---|---|---|---|---|
| **In Fully paid up Equity Shares:** | | | | | |
| Quoted | | | | | |
| IFGL Refractories Ltd | 10 | 10,224 | **790,939** | 10,224 | 790,939 |
| Elite Leasings Ltd. | 10 | 3,750 | **6,218** | 3,750 | 6,218 |
| Unquoted | | | | | |
| Adityapur Toll Bridge Company Ltd. | 10 | 20,000 | **200,000** | 20,000 | 200,000 |
| **In Government Securities** | | | | | |
| National Saving Certificate | | | **50,000** | | 20,000 |
| (B) | | | **1,047,157** | | **1,017,157** |
| **Total (A) + (B)** | | | **(232,504,584)** | | **165,340,439** |
| Aggregate amount of Quoted Investments | | | **797,157** | | 797,157 |
| Aggregate amount of Unquoted Investments | | | **(233,301,741)** | | 164,543,282 |
| Market Value of Quoted Investments | | | **638,061** | | 322,140 |
| **14 CURRENT INVESTMENTS** | | | | | |
| **In Mutual Funds (Unquoted)** | | | | | |
| Reliance Income Fund Growth Plan | 10 | 2,958,069.367 | **120,000,000** | - | - |
| SBI Magnum Income Fund - Regular Plan - Growth | 10 | 2,609,028.744 | **79,600,000** | - | - |
| DSP Black Rock Income Opportunity - IP- Growth | 1000 | - | - | 89,372.371 | 141,696,873 |
| HSBC Flexi Debt Fund- Growth | 10 | - | - | 3,027,919.731 | 47,000,000 |
| SBI Dynamic Bond Fund- Regular Plan - Growth | 10 | 5,621,055.050 | **77,800,000** | 5,621,055.050 | 77,800,000 |
| UTI Treasury Advantage Fund - IP - Growth | 1000 | - | - | 2,531.232 | 4,000,000 |
| UTI Treasury Advantage Fund - IP -DP- Growth | 1000 | - | - | 21,526.024 | 34,000,000 |
| Birla Sun Life Cash Plus | 1000 | 2,502.608 | **500,000** | - | - |
| JM High Liquidity Fund - Growth Option | 10 | 232,057.597 | **8,000,000** | - | - |
| UTI Liquid Cash Plan | 1000 | 11,755.957 | **24,525,966** | - | - |
| Birla Sun Life Short Term Opportunities Fund - Growth Regular Plan | 10 | 246,500.919 | **5,000,000** | | - |
| Morgan Stanley Liquid Fund- Daily Dividend | 1000 | 1,600.047 | **1,600,847** | | - |
| DSP Black Rock Liquidity Fund-DP-Growth | 10 | - | - | 4,801.994 | 8,006,627 |
| Dsp blackrock Income Opportunity Fund-RP-Growth | 10 | 969,655.634 | **17,490,620** | 1,764,606.109 | 31,535,798 |
| DSP BlackRock Micro Cap Fund - Regular - Growth | 10 | - | - | 154,960.296 | 2,500,000 |
| HDFC Mid- Cap Opportunities-G | 10 | 230,506.390 | **3,499,700** | 230,506.388 | 3,499,700 |
| HDFC Top 200 Fund- Growth Option | 10 | 21,315.000 | **4,386,900** | 13,147.155 | 4,386,900 |
| HDFC Top 200 Fund- Growth Option | 10 | 28,740.920 | **5,938,813** | 17,934.928 | 3,553,813 |
| Kotak Floter Short Term Fund | 10 | 9,162.047 | **18,009,227** | - | - |
| Morgan Stanley Short Term Bond Fund | 10 | 22,126.320 | **226,223** | 20,969.547 | 214,326 |
| Morgan Stanley Multi Assets Fund-QD | 10 | 784,846.800 | **7,867,763** | 714,904.298 | 7,604,411 |

| Particulars | Face Value per share Units ₹ | No. of Shares/Units | As at 31.03.2014 ₹ | No. of Shares/Units | As at 31.03.2013 ₹ |
|---|---|---|---|---|---|
| Morgan Stanley Multi Assets Plan A-G | 10 | 329,939.670 | **3,500,000** | 329,939.670 | 3,500,000 |
| IDFC Money Manager Investment Reg-DM Dividend | 10 | 193,362.240 | **1,975,551** | 159,540.000 | 1,595,400 |
| UTI Liquid Fund Cash Plan | 1000 | 6,847.566 | **14,000,000** | - | - |
| Sbi Magnum Income Regular-Gr | 10 | 327,553.113 | **10,000,000** | - | - |
| Sbi Dynamic Bond Fund-Reg Growth | 10 | 857,270.310 | **12,296,000** | 857,270.310 | 12,296,000 |
| In Bonds/Debentures (Quoted) | | | | | |
| 9.85% APSFC BONDS 28.03.2024 | 1000000 | 29 | **29,000,000** | - | - |
| 9.80% GSPC NCD Series 2 22.03.2073 | 1000000 | 50 | **51,260,000** | - | - |
| 10.45% GSPC NCD 28.09.2072 | 1000000 | 23 | **24,386,900** | - | - |
| 9.03% GSPC NCD 22.03.2028 | 1000000 | 19 | **18,551,600** | - | - |
| 9.75% IFCI LTD PP 60 BONDS 26.04.2028 | 1000000 | 3 | **3,019,500** | - | - |
| 11.15% WELSPUN CORP LTD BONDS 28.08.2019 | 1000000 | 28 | **28,112,000** | - | - |
| | | | **570,547,610** | | 383,189,848 |
| Less: Provision for diminution in value of Investments | | | **4,853,749** | | 203,021 |
| | | | **565,693,861** | | **382,986,827** |
| Aggregate amount of Quoted Investments | | | **154,330,000** | | - |
| Aggregate amount of Unquoted Investments | | | **416,217,610** | | 383,189,848 |
| Repurchase Price of units of mutual funds | | | **428,046,011** | | 402,044,485 |
| Market Value of Quoted Investments | | | **154,384,800** | | - |

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **15 INVENTORIES** | | |
| Stock (As taken, valued and certified by the management) | | |
| Land : | | |
| Projects Launched | **900,261,245** | 441,851,063 |
| Others | **930,619,804** | 741,869,401 |
| Unsold completed constructions | **157,746,777** | 127,161,728 |
| Work-in-progress | **1,680,443,521** | 645,001,320 |
| Construction materials | **108,097,925** | 34,443,161 |
| Other Consumables | **2,761,860** | 1,978,660 |
| | **3,779,931,132** | **1,992,305,333** |
| **16 TRADE RECEIVABLES** | | |
| (Unsecured, Considered Good) | | |
| Due for more than six months | **43,949,210** | 15,782,937 |
| Other Debts | **51,737,816** | 106,372,730 |
| | **95,687,026** | **122,155,667** |
| **17 CASH AND CASH EQUIVALENTS** | | |
| Cash-in-hand | **4,179,642** | 3,105,613 |
| Cheques-in-hand | **17,636,678** | 1,402,382 |
| Balances with Scheduled Banks : | | |
| In Current Account | **212,671,767** | 147,402,298 |
| In Unclaimed Dividend Account | **10,071,525** | 8,579,523 |
| In Fixed Deposit Account* | **301,893,095** | 393,095,449 |
| Fixed Deposit with Others * | **25,860,134** | 22,788,267 |
| | **572,312,841** | **576,373,532** |
| * Pledged | **166,376,540** | 158,926,019 |
| * Maturing after 12 months from close of the year | **34,093,346** | 141,778,942 |

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **18 SHORT TERM LOANS AND ADVANCES** | | |
| (Unsecured, considered good) | | |
| Advance/Deposit against land/development rights | | |
| Projects Launched | **100,366,291** | 51,505,820 |
| Others | **350,450,111** | 168,715,804 |
| Advance against purchase of EWS/LIG units | **5,100,000** | - |
| Advances recoverable in cash or in kind or for value to be received | **149,387,814** | 148,144,591 |
| Loan to Other | - | 1,600,000 |
| Unaccrued Selling Expenses | **121,018,769** | 44,132,557 |
| Taxation Advances and Refundable (Net of Provisions) | **36,363,348** | (270,741) |
| Deposits | **13,241,523** | 7,896,547 |
| | **775,927,856** | **421,724,578** |
| **19 OTHER CURRENT ASSETS** | | |
| Preliminary Expenses | **14,176** | 28,352 |
| (To the extent not written off or adjusted) | | |
| | **14,176** | **28,352** |
| | **2013-2014 ₹** | 2012-2013 ₹ |
| **20 REVENUE FROM OPERATIONS** | | |
| Real Estate: | | |
| a) Completed Projects (on Possession) | **576,596,024** | 990,006,736 |
| b) Ongoing Projects | **(7,187,677)** | 45,757,604 |
| c) Sale of Land | - | 75,000,663 |
| Real Estate Support Operations | **153,594,181** | 117,648,556 |
| Hotel & club: | | |
| Rooms, Restaurant, Banquets and other services | **141,333,261** | 115,596,702 |
| | **864,335,789** | **1,344,010,261** |
| **21 INCOME FROM PARTNERSHIP** | | |
| Share of profit | **151,445,999** | 73,866,592 |
| Project Management Fees | **90,734,791** | 68,674,200 |
| | **242,180,790** | **142,540,792** |
| **22 OTHER INCOME** | | |
| Interest | **47,417,706** | 54,474,214 |
| Income from Investments: | | |
| Interest on Bonds/Debentures | **4,745,836** | - |
| Rent | **9,746,872** | 5,437,718 |
| Dividend | **359,984** | 909,405 |
| Profit on sale of investments | **47,110,256** | 46,741,447 |
| Fee and Subscription | **1,688,388** | 1,490,778 |
| Rent and Hire charges | **3,061,624** | 3,353,641 |
| Miscellaneous Income | **6,234,998** | 12,975,680 |
| Liabilities Written Back | **951,565** | 1,334,004 |
| Items relating to Previous Year | **133,761** | - |
| Provision for Diminution in Value of Investment written back | - | 919,008 |
| | **121,450,991** | **127,635,895** |
| **23 PURCHASES** | | |
| Land / Development Rights | **716,309,873** | 613,454,519 |
| Flats/ Bungalow/ Shops | - | 4,420,000 |
| | **716,309,873** | **617,874,519** |
| **24 PROJECT EXPENSES*** | | |
| Consumption of construction materials (Indigenous) | **836,663,867** | 470,084,491 |
| Wages | **92,481,894** | 91,979,201 |
| PRW Charges | **140,152,977** | 81,384,633 |
| Other Direct Construction Expenses | **93,377,359** | 75,280,051 |

| Particulars | 2013-2014 ₹ | 2012-2013 ₹ |
|---|---|---|
| Power & Fuel | 14,592,077 | 9,137,339 |
| Architects' Fee & Consultancy Charges | 21,665,797 | 15,218,002 |
| Employee Benefit Expenses | 65,247,818 | 56,212,197 |
| Rent | 737,532 | 338,975 |
| Insurance | 1,327,430 | 453,786 |
| Repair & Maintenance | | |
| To Machineries | 3,325,222 | 1,485,317 |
| To Building | 121,228 | - |
| To Others | 3,288,386 | 1,736,976 |
| Financial Cost | 4,325,480 | 9,687,812 |
| Miscellaneous project expenses | 107,083,483 | 79,050,538 |
| Depreciation | 208,497 | 581,428 |
| | 1,384,599,046 | 892,630,746 |
| Less: Ongoing Project Adjustment | - | 23,985,719 |
| | 1,384,599,046 | 868,645,027 |
| * Includes Project Post - Completion Expenses | 37,831,878 | 4,770,671 |
| **25 CHANGES IN INVENTORIES** | | |
| Opening Stock : | | |
| Land/Development Rights | | |
| Projects Launched * | 442,047,642 | 92,591,040 |
| Others | 741,869,401 | 605,760,437 |
| | 1,183,917,043 | 698,351,477 |
| Unsold completed construction | 125,195,693 | 132,345,370 |
| Work-in-progress | 645,001,320 | 344,300,165 |
| | 1,954,114,056 | 1,174,997,012 |
| Less: Closing Stock: | | |
| Land/Development Rights | | |
| Projects Launched | 900,261,245 | 441,851,063 |
| Others | 930,619,804 | 741,869,401 |
| Unsold completed construction | 157,746,777 | 127,161,728 |
| Work-in-progress | 1,680,443,521 | 645,001,320 |
| | 3,669,071,347 | 1,955,883,512 |
| | (1,714,957,291) | (780,886,501) |
| *Net of ongoing project adjustment | 1,769,456 | 2,485,002 |
| **26 HOTEL & CLUB EXPENSES** | | |
| Consumables (indigenous) | 21,295,993 | 18,168,462 |
| Personnel | 11,207,031 | 12,993,958 |
| Management Fee | 7,736,041 | 6,473,590 |
| Power & fuel | 13,175,050 | 11,260,232 |
| Other running expenses | 13,940,428 | 8,987,217 |
| | 67,354,543 | 57,883,460 |
| **27 REAL ESTATE SUPPORT OPERATIONS EXPENSES** | | |
| Consumption of Maintenance Materials (Indigenous) | 9,642,978 | 6,856,772 |
| Work Charges | 30,705,200 | 24,714,413 |
| Power & Fuel (net) | 5,490,377 | 4,971,017 |
| Repairs and Maintenance - To Machineries | 7,863,767 | 5,259,209 |
| Security charges | 19,653,109 | 15,530,698 |
| Other Maintenance Expenses | 6,466,629 | 4,475,043 |
| | 79,822,060 | 61,807,152 |
| **28 EMPLOYEE BENEFIT EXPENSE** | | |
| Salary and allowances | 140,749,249 | 103,470,615 |
| Directors' Remuneration | 16,245,923 | 12,348,724 |
| Contribution to Provident & Other Funds | 3,211,330 | 2,876,869 |
| Staff & Labor welfare expenses | 25,394,123 | 25,514,567 |
| | 185,600,625 | 144,210,775 |
| **29 FINANCE COSTS** | | |
| Interest | | |
| - On Term Loan | 16,329,534 | 27,690,600 |
| - Others | 1,997,052 | 1,767,856 |

| Particulars | 2013-2014 ₹ | 2012-2013 ₹ |
|---|---|---|
| Loan Processing & Other Financial Charges | 4,825 | 842,700 |
| | **18,331,411** | **30,301,156** |
| **30 OTHER EXPENSES** | | |
| Rent | **16,990,241** | 12,764,029 |
| Rates and Taxes | **3,751,835** | 2,402,407 |
| Insurance | **804,744** | 588,350 |
| Travelling and Conveyance | **23,132,939** | 16,242,997 |
| Legal and Professional expenses | **10,307,823** | 11,715,652 |
| Commission | **778,993** | 1,647,559 |
| Repairs and Maintenance : | | |
| To Machineries | **1,631,411** | 1,324,053 |
| To Building | **7,073,820** | 3,989,601 |
| To Others | **14,816,354** | 9,674,071 |
| Directors' Fees | **28,000** | 29,000 |
| Miscellaneous expenses | **52,617,360** | 41,251,972 |
| Irrecoverable Balances Written off | **3,430,482** | 219,304 |
| Investment written off | - | 31,333 |
| Loss on Sale of fixed assets | **1,927,171** | 746,616 |
| Items relating to previous year (Net) | **64,000** | 41,533 |
| Preliminary Expenses written off | **14,176** | 14,176 |
| Provision for Diminution in value of current Investment | **4,650,728** | - |
| | **142,020,077** | **102,682,653** |
| **31 EXTRAORDINARY ITEM** | | |
| Short Provision of Employee Benefits upto 31.03.2013 | | |
| - Gratuity | **2,279,268** | - |
| - Leave Pay | **160,760** | - |
| Service Tax paid under VCES | **8,477,806** | - |
| | **10,917,834** | **-** |
| **32 TAX EXPENSES** | | |
| Current tax | | |
| Income Tax | **42,262,100** | 81,284,500 |
| Wealth Tax | **766,000** | 597,000 |
| Income tax Adjustments | **(279,852)** | 1,480,379 |
| | **42,748,248** | 83,361,879 |
| Deferred Tax | | |
| Deferred Tax | **(2,249,000)** | 5,557,000 |
| | **40,499,248** | **88,918,879** |

**NOTES TO THE ACCOUNTS**

**33 SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS**

**1) SIGNIFICANT ACCOUNTING POLICIES**

**a) PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements include the financial statements of Ashiana Housing Limited and its subsidiaries. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard AS – 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India ('ICAI') and notified pursuant to the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements are prepared on the following basis:

a) Consolidated Financial Statements normally include consolidated Balance Sheet, consolidated statement of Profit & Loss, consolidated statement of Cash flows and notes to the Consolidated Financial Statements and explanatory statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.

b) The Consolidated Financial Statements include the financial statements of the Company and all its subsidiaries.

c) The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating inter-group balances / transactions and resulting elimination of unreleased profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent Company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated.

d) Minority interest represents the amount of equity attributable to minority shareholders / partners at the date on which investment in a subsidiary is made and its share of movements in equity since that date.

e) Notes to the Consolidated Financial Statements represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

f) Partnership firms, being Company's jointly controlled entities, consolidation whereof is not feasible in view of nature of their capital structure and respective partnership arrangements, are not considered in these Financial Statements.

**b) BASIS OF ACCOUNTING**

The Financial Statements are prepared on accrual basis under historical cost convention in accordance with the generally accepted accounting principles in India, the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 and the relevant applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current, wherever applicable, as per the normal operating cycle of the Company as set out in the Schedule VI to the Companies Act, 1956.

**c) USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ exemptions 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 recognized in the period in which the results are known/ materialized.

**d) FIXED ASSETS**

i) Fixed assets are valued at cost less depreciation/amortization.

ii) Capital work-in-progress is valued at cost.

iii) Intangible Assets under Development is valued at cost.

Cost includes purchase price and all other attributable cost of bringing the assets to working condition for intended use.

**e) DEPRECIATION AND AMORTIZATION**

1 Depreciation on tangible asset is provided on straight line basis in accordance with the provision of Schedule XIV of Companies Act, 1956 except that depreciation on the Fixed Assets held by Subsidiary Partnership Firms and Limited Liability Partnership firms, is provided at the rate as specified in Income Tax Rules, 1962.

2 Intangible assets are amortized over the period of useful life of the assets as estimated by the management except that depreciation on intangible assets held by Subsidiary Partnership Firms and Limited Liability Partnership firms, is provided at the rate as specified as Income Tax Rule, 1962.

**f) INVENTORIES**

Inventories are valued as follows:

| | |
|---|---|
| Construction Material and Other consumables | At Lower of cost and net realizable value. However, materials and other items are not written down below cost if the constructed units/food, beverages etc. in which they are used are expected to be sold at or above cost. Cost is determined on FIFO basis. |
| Leasehold and Freehold 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 labor and project specific direct and indirect expenses and pro-rata unrealized cost from development of EWS/LIG units, except in subsidiary partnership firms wherein all expenses are included in such cost. |

**g) REAL ESTATE PROJECTS AND SALES**

a) Revenue in respect of the projects undertaken on or after 1st April, 2011 and the projects undertaken between 1st April, 2006 and 31st March, 2011, which did not reach the level of completion as considered appropriate by the management within 31st March, 2011, as discussed in (b) below, 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 or (iii) on physical possession for fit-out, as considered appropriate by the management based on circumstantial status of the project.

b) Revenue in respect of projects undertaken between1st April, 2006 and 31st March, 2011, which did not reach the level of construction as considered appropriate by the management within 31st March, 2011 is recognized on the "Percentage of Completion Method" (POC) of accounting and represents value of units contracted to be sold to the extent of actual work done against total estimated cost of execution. The corresponding cumulative amount at the close of the year appears under 'Current Liabilities' as deduction from "Advance from customers'.

The estimates of saleable area and Construction cost are reviewed periodically by the management and effect of any change in estimates is recognized in the period such changes are determined.

c) Selling Expenses related to specific projects/units are being charged to Profit and Loss account in the year in which sale thereof is offered for taxation.

d) Revenue from rooms, food and beverages, club and other allied services, is recognized upon rendering of the services.

e) Project maintenance charges and Other income is accounted for on accrual basis except where the receipt of income is uncertain.

f) Interest on delayed payments and other charges are accounted for on certainty of realization.

**h) OTHER INCOME**

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

**i) TAXES ON INCOME**

a) Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

b) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax Assets/Liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax in respect of differential income due to accounting of sales on percentage completion basis, being not determinate, is not recognized.

**j) INVESTMENTS**

a) Long term investments are carried at acquisition cost. Provision for diminution, if any, in the value of long term investments is made to recognize a decline, other than of a temporary nature.

b) 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.

c) Value of Intangible capital rights created in favor of the Company in the process of Real Estate activities, being not determinate, are not shown in the books of accounts.

**k) FOREIGN CURRENCY TRANSACTIONS**

Income and Expenditure in foreign currency is converted into rupee at the rate of exchange prevailing on the date of the transactions. All payables and receivables related to foreign currency transactions outstanding at the year end are translated at exchange rates prevailing at the year end. The resultant translation differences are recognized in the Profit & Loss Account.

**l) EMPLOYEE BENEFITS**

(a) Short term employee benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Such short term employee benefits are recognized at actual amounts due in the period in which the employee renders the related service.

(b) Post-employment benefits:

i) Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

ii) Defined Benefit Plans:

Provision for Gratuity and Leave Pay is determined on the actuarial valuation carried out at the balance sheet date in accordance with the provisions of Accounting Standard 15. Actuarial gains and losses are recognized in the Statement of Profit & Loss.

**m) IMPAIRMENT OF ASSETS**

Impairment Loss in the value of assets, as specified in Accounting Standard -28 is recognized whenever carrying value of such assets exceeds the market value or value in use , whichever is higher.

**n) PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized when the Company has a present obligation as a result of past results and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

**2) Contingent Liability, not provided for, in respect of:**

a) Claims not acknowledged as debts

| | | |
|---|---|---|
| Cess - Sonari land | ₹ 54.28 lakhs | (₹ 45.91 lakhs) |
| Service Tax | ₹ 95.92 lakhs | (₹ 6.92 lakhs) |
| Bank Guarantee | ₹ 1375.00 lakhs | (₹ 0.25 lakhs) |
| Entry Tax | ₹ 9.35 lakhs | (₹ 9.35 lakhs) |
| Income Tax | ₹ 51.59 lakhs | (₹ 12.45 lakhs) |

b) Contested claim of the Government of Rajasthan for refund of State Capital Subsidy including interest ₹ 55.79 lakhs (₹ 55.79 lakhs) against which the Company has deposited ₹ 55.79 lakhs (₹55.79 lakhs) under protest.

c) Contested claim of Secretary, UIT, Bhiwadi for payment of Completion Certificate Charges amounting to ₹ 12.53 lakhs (₹12.53 lakhs) against which the Company has deposited ₹ 12.53 lakhs (₹ 12.53 lakhs) under protest.

d) Contested claim of a customer pursuant to the order of the District Consumer Forum ₹ 10 lakhs (₹ 2.66 lakhs) against which the Company has deposited ₹ 2.66 lakhs (₹ 2.66 lakhs) under protest.

e) Contested claim of Employee State Insurance Corporation ₹ 4.28 lakhs (Nil) against which the Company has deposited ₹ 1.07 lakhs (Nil) under protest.

f) Contested demand of Entry Tax ₹ 9.35 lakhs (₹ 9.35 lakhs), against which Company has deposited ₹ 2.00 lakhs (₹ 2.00 lakhs) under protest.

**3)** Company's land at Milakpur Gujar, Alwar (Rajasthan) admeasuring 15.02 hectares, appearing in these accounts at book value of ₹ 338.97 lakhs, is under acquisition, 12.834 hectares for residential purposes and 2.186 hectares for development of road, by the Government of Rajasthan. Company's writ petition is pending before the Hon'ble High Court of Rajasthan against acquisition of 12.834 hectares. A compensation of ₹ 3597.88 lakhs has been declared by the Government which and interest thereon shall be considered in the accounts on finality and receipt.

**4)** Construction work in Company's commercial project 'Marine Plaza' on land at Sonari, Jamshedpur, sub-leased by Tata Steel Ltd., was stopped by the Jamshedpur Notified Area Committee (JNAC) along with works in approx. fifty other projects in Jamshedpur. In response to Company's writ petition, the Hon'ble High Court of Jharkhand, by its interim order, has permitted the Company to carry out further construction subject to the condition that the Company shall not create any third party right in the project. A sum of ₹ 1845.57 lakhs has been incurred by the Company on this project till the close of this year. The Company, however, is not carrying out any construction in the project and the matter is subjudice.

**5)** Company's projects Ashiana Anantara, Jamshedpur, Ashiana Navrang, Halol, and Ashiana Dwarka, Jodhpur are being developed under Development Agreement with respective land owners on revenue sharing/area sharing basis.

**6)** Estimated amount of contract remaining to be executed on capital account and not provided for amounts to ₹ 12.64 lakhs (₹182.86 lakhs) against which the Company has given advance of ₹ 4.68 lakhs (₹ 15.10 lakhs).

**7)** In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006, the Company has determined its business segment as Real Estate Business. Since there are no other business segments in which the Company 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.

**8)** Related parties and transactions with them as specified in the Accounting Standard 18 on "Related Parties Disclosures" prescribed under Companies (Accounting Standards) Rules, 2006 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 | Transactions | 2013-2014 ₹ Lakhs | 2012-2013 ₹ Lakhs |
|---|---|---|---|
| **a) Associates and joint ventures** | | | |
| i) Ashiana Greenwood Developers | Maintenance charges received | **0.87** | 1.98 |
| | Referral Fees | **Nil** | 1.75 |
| | Year end Investment | **89.23** | 135.45 |
| ii) Megha Colonizers | Management Fee Received | **800.66** | 686.67 |
| | Rent received | **Nil** | 13.50 |
| | Hire charges received | **5.80** | 12.56 |
| | Referral Fees | **33.75** | 48.36 |
| | Year end Investment | **(4,802.15)** | (1,887.09) |
| iii) Ashiana Manglam Developers | Maintenance charges received | **23.58** | 33.34 |
| | Referral Fees | **10.00** | 10.25 |
| | Year end Investment | **498.91** | 1,156.27 |
| iv) Ashiana Manglam Builders | Year end Investment | **516.54** | 875.29 |

| Related Parties & Relationship | Transactions | 2013-2014 ₹ Lakhs | 2012-2013 ₹ Lakhs |
|---|---|---|---|
| **b) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company, and relatives of any such individual.** | | **Nil** | Nil |
| **c) Key management personnel and their relatives** | | | |
| i) Mr. Vishal Gupta, Managing Director | Remuneration | **48.00** | 24.00 |
| | Commission | **Nil** | 17.17 |
| | Purchase of Flat | **Nil** | 44.20 |
| | Year End Payable/(Receivable) | **(6.30)** | 8.17 |
| ii) Mr. Ankur Gupta, Jt. Managing Director | Remuneration | **48.00** | 24.00 |
| | Commission | **Nil** | 17.17 |
| | Year End Payable/(Receivable) | **(8.30)** | 8.17 |
| iii) Mr. Varun Gupta, Whole Time Director | Remuneration | **48.00** | 30.00 |
| | Commission | **Nil** | 17.17 |
| | Rent Paid | **3.00** | Nil |
| | Sale of Flat | **Nil** | 67.66 |
| | Year End Payable/(Receivable) | **(5.90)** | 8.17 |
| iv) Mr. Ashok Mattoo Independent Director | Commission | **10.46** | Nil |
| | Directors Sitting Fees | **0.03** | 0.04 |
| | Year end Payable | **1.34** | Nil |
| v) Mr. Hemant Kaul Independent Director | Commission | **8.00** | Nil |
| | Directors Sitting Fees | **0.04** | Nil |
| | Year end Payable | **4.20** | Nil |
| vi) Mr. Abhishek Dalmia Independent Director | Sitting Fees | **0.02** | 0.04 |
| | Year end Payable | **0.02** | 0.04 |
| vii) Mr. Lalit Kumar Chhawchharia Independent Director | Sitting Fees | **0.03** | 0.03 |
| | Year end Payable | **0.03** | 0.03 |
| viii) Ms. Sonal Mattoo Independent Director | Sitting Fees | **0.03** | 0.03 |
| | Year end Payable | **0.03** | 0.03 |
| ix) Ms. Hem Gupta (Proprietor of Coffee Quotient) Relative of Directors | Remuneration | **6.00** | 6.00 |
| | Staff Welfare Expenses | **5.36** | 6.01 |
| | Year End Payable/(Receivable) | **0.49** | 0.39 |
| x) Mr. Bhagwan Kumar Company Secretary | Salary and Allowances | **17.82** | 14.64 |
| | Advance from Customers | **18.39** | 1.46 |
| xi) Ms. Santwana Poddar Relative of Company Secretary | Salary and Allowances | **5.46** | 4.55 |
| | Loans and Advances | **(5.00)** | (5.00) |
| **d) Enterprises over which any person described in (b) or (c) is able to exercise significant influence :** | | | |
| i) OPG Realtors Limited | Rent Paid | **80.16** | 32.64 |
| | Rental Received | **28.00** | Nil |
| | Advance From Customers | **104.94** | Nil |
| | Year End Payable/(Receivable) - Deposit | **(5.04)** | (5.04) |
| ii) Karma Hospitality Limited | Management Fee Paid | **74.01** | 64.74 |
| | Year End Payable/(Receivable) | **5.40** | 4.79 |
| iii) R G Woods Limited | Sale of Flat | **Nil** | 20.66 |
| | Rental Received | **5.00** | Nil |
| | Purchase of Construction Material | **99.69** | 66.28 |
| | Year end Payable/ (Receivable) | **8.83** | (0.38) |
| | Advance from Customers | **23.29** | 2.59 |
| iv) B.G. Estates Private Limited | Advance from Customers | **306.83** | 187.26 |
| v) PKS Nirmaan Private Limited | Advance from Customers | **43.85** | 3.08 |
| vi) OPMG Investments Private Limited | Commission paid | **Nil** | 8.51 |
| **e) Amount Written off in respect of above parties** | | **Nil** | Nil |

**9)** The earning per share has been calculated as specified in Accounting Standard 20 on "Earnings Per Share" issued by ICAI and related disclosures are as below :

| | **2013-2014** | 2012-2013 |
|---|---|---|
| a) Amount used as numerator in calculating basic and diluted EPS Profit after tax (₹ in lakhs) | **2,186.36** | 3,314.73 |
| b) Weighted average number of equity shares used as the denominator in calculating EPS (Nos. in lakhs). | | |
| Opening Balance | 930.50 | 930.50 |
| | **930.50** | **930.50** |

**10)** On the basis of physical verification of assets, as specified in Accounting Standard - 28 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31st March, 2014.

**11)** The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. The subsidiaries (which along with Ashiana Housing Ltd., the parent, constitute the Group) considered in the preparation of these consolidated financial statements are:

| **Name** | **Country of Incorporation/ Formation** | **Percentage of voting power/Profit sharing as at 31st March, 2014** | Percentage of voting power/Profit sharing as at 31st March, 2013 |
|---|---|---|---|
| Ashiana Maintenance Services Limited (Formerly Vatika Marketing Ltd.) | India | **100%** | 100% |
| Latest Developers Advisory Ltd | India | **100%** | 100% |
| Topwell Projects Consultants Ltd. | India | **100%** | 100% |
| Neemrana Builders LLP | India | **98.50%** | 98.50% |
| MG Homecraft LLP | India | **98.50%** | 98.50% |
| Ashiana Amar Developers | India | **100%*** | 100%* |
| Vista Housing | India | **50%**** | 50%** |

* 5% Held by Ashiana Maintenance Services Limited (Formerly Vatika Marketing Ltd.), a wholly owned Subsidiary Company.

** Ashiana Housing Limited controls the composition of the Governing Body.

| | **2013-2014** | 2012-2013 |
|---|---|---|
| | **₹** | ₹ |
| **12)** Payment to Auditors: | | |
| For Statutory Audit | **2,252,248** | 1,652,922 |
| For Internal Audit | **979,954** | 736,815 |
| For Tax Audit | **366,854** | 240,000 |
| For Other Services | **590,122** | 1,180,458 |

**13)** During the year, the Company has incurred ₹ 60.95 lakhs ( ₹ 79.00 lakhs) towards Corporate Social Responsibility which has been charged to the respective heads of accounts.

**14)** a) Previous year figures above are indicated in brackets.

b) Previous year figure have been regrouped/rearranged, wherever found necessary.

Signature to Notes "1 to 33"

In terms of our report of even date attached herewith

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

**Vishal Gupta**
Managing Director

**Ankur Gupta**
Jt. Managing Director

**Varun Gupta**
Wholetime Director

**Abhishek Gupta**
**Partner**
**Membership No. 529082**
**Place: New Delhi**
**Date: 30th May, 2014**

**Bhagwan Kumar**
Company Secretary

**Manojit Sengupta**
General Manager - F&A

# Cash Flow Statement

## For the year ended 31st March, 2014

| Particulars | 2013-2014 ₹ | 2012-2013 ₹ |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| **Net Profit before tax and extraordinary items** | **270,058,792** | 420,390,545 |
| Adjusted for : | | |
| Depreciation | **30,457,200** | 26,004,622 |
| Depreciation charged to Project Expenses | **208,497** | 581,428 |
| Interest Income (other than from customers) | **(32,730,707)** | (45,785,820) |
| Income from Investments | **(208,303,127)** | (126,955,162) |
| Provision for Diminution in value of Investments/ (written back) | **4,650,728** | (919,008) |
| Interest Paid | **18,331,411** | 30,301,156 |
| Preliminary Expenses written off | **14,176** | 14,176 |
| Investment written off | **-** | 31,333 |
| Minority Interest | **(5,830)** | 1,415 |
| Provision for Employee Benefits | **7,856,888** | 5,116,327 |
| (Profit) / Loss on sale of Fixed Assets | **3,934,571** | 746,616 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | **94,472,599** | **309,527,628** |
| Adjusted for : | | |
| Trade and other receivables | **(291,100,548)** | (277,658,029) |
| Inventories | **(1,787,625,798)** | (752,735,835) |
| Trade Payables and advances from customers | **1,842,649,556** | 618,828,134 |
| CASH GENERATED FROM OPERATIONS | **(141,604,191)** | (102,038,102) |
| Direct Taxes paid / adjusted | **(79,382,337)** | (117,708,017) |
| Cash flow before extra ordinary items | **(220,986,528)** | (219,746,119) |
| Extra Ordinary items | **(10,917,834)** | - |
| **Net cash from Operating activities (A)** | **(231,904,362)** | **(219,746,119)** |
| **CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Purchase of Fixed Assets | **(152,532,509)** | (46,332,367) |
| Sale of Fixed Assets | **6,296,027** | 306,306 |
| Net change in Investments | **409,043,516** | 486,284,174 |
| Interest Income | **32,730,707** | 45,785,820 |
| Other Income from Investments | **9,746,872** | 6,347,123 |
| **Net Cash from investing activities (B)** | **305,284,613** | **492,391,056** |
| CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from long term and other borrowings | **5,599,727** | (40,229,174) |
| Interest Paid | **(18,331,411)** | (30,301,156) |
| Dividend paid | **(47,498,929)** | (46,864,056) |
| Change in Minority Interest | **(17,210,329)** | (14,301,074) |
| **Net Cash used in Financing activities (C)** | **(77,440,942)** | **(131,695,460)** |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)** | **(4,060,691)** | **140,949,477** |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | **576,373,532** | **435,424,055** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | **572,312,841** | **576,373,532** |

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

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

**Vishal Gupta**
Managing Director

**Ankur Gupta**
Jt. Managing Director

**Varun Gupta**
Wholetime Director

**Abhishek Gupta**
**Partner**
**Membership No. 529082**
**Place: New Delhi**
**Date: 30th May, 2014**

**Bhagwan Kumar**
Company Secretary

**Manojit Sengupta**
General Manager - F&A

# Auditors' Report

**TO THE BOARD OF DIRECTORS OF ASHIANA HOUSING LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of ASHIANA HOUSING LIMITED and its subsidiaries, which comprises the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 consolidated 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 consolidated 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:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the company as at March 31, 2013 ;

(b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and

(c) in the case of the consolidated 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**
**Partner**
**Membership Number: 529082**

**Place: New Delhi**
**Date: May 30, 2013**

# Balance Sheet
## as at 31st March, 2013

| Particulars | Notes | As at 31.03.2013 ₹ | As at 31.03.2012 ₹ |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 1 | 186,099,550 | 186,099,550 |
| Reserves & Surplus | 2 | 2,494,579,308 | 2,211,771,375 |
| | | 2,680,678,858 | 2,397,870,925 |
| **Non-current Liabilities** | | | |
| Long Term Borrowings | 3 | 110,502,784 | 105,521,533 |
| Deferred Tax Liabilities (Net) | 4 | 36,667,000 | 31,110,000 |
| Other Long Term Liabilities | 5 | 188,519,870 | 149,745,554 |
| Long Term Provisions | 6 | 17,813,377 | 12,697,050 |
| | | 353,503,031 | 299,074,137 |
| **Current Liabilities** | | | |
| Short Term Borrowings | 7 | 223,384 | - |
| Advance from Customers | 8 | 836,732,846 | 225,729,710 |
| Trade Payables | 9 | 84,114,895 | 74,103,600 |
| Other Current Liabilities | 10 | 129,378,715 | 213,972,044 |
| Short-term Provisions | 11 | 48,935,890 | 83,282,029 |
| | | 1,099,385,730 | 597,087,383 |
| Minority Interest | | (13,756,404) | 544,670 |
| | | 4,119,811,215 | 3,294,577,115 |
| **ASSETS** | | | |
| **Non-current Assets** | | | |
| Fixed Assets: | 12 | | |
| Tangible Assets | | 442,259,661 | 435,508,806 |
| Intangible Assets | | 15,100,085 | 4,423,545 |
| Intangible Assets under development | | 1,266,000 | - |
| | | 458,625,746 | 439,932,351 |
| Non-Current Investments | 13 | 165,340,439 | 380,911,438 |
| | | 623,966,185 | 820,843,789 |
| **Current Assets** | | | |
| Current Investments | 14 | 382,986,827 | 532,204,288 |
| Inventories | 15 | 1,992,305,333 | 1,239,569,498 |
| Trade Receivables | 16 | 140,855,293 | 54,937,340 |
| Cash & Cash Equivalents | 17 | 576,373,532 | 435,424,055 |
| Short Term Loans & Advances | 18 | 403,295,693 | 211,555,617 |
| Other Current Assets | 19 | 28,352 | 42,528 |
| | | 3,495,845,030 | 2,473,733,326 |
| | | 4,119,811,215 | 3,294,577,115 |
| SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS | 32 | | |

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: 3055123E**

**Abhishek Gupta**
**Partner**
**Membership No: 529082**
**Place: New Delhi**
**Date: 30th May, 2013**

**Vishal Gupta**
Managing Director

**Ankur Gupta**
Jt. Managing Director

**Varun Gupta**
Wholetime Director

**Bhagwan Kumar**
Company Secretary

**Manojit Sengupta**
General Manager - F&A

# Profit & Loss Account
## for the year ended 31st March, 2013

| Particulars | Notes | 2012-2013 ₹ | 2011-2012 ₹ |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 20 | 1,344,010,261 | 2,354,122,947 |
| Income from Partnership | 21 | 142,540,792 | 79,090,204 |
| Other Income | 22 | 127,635,895 | 56,555,186 |
| | | **1,614,186,948** | **2,489,768,337** |
| **EXPENSES** | | | |
| Direct Costs: | | | |
| Purchases | 23 | 617,874,519 | 547,805,386 |
| Project Expenses | 24 | 868,645,027 | 158,786,733 |
| Ongoing Project Expenses Adjusted | | 26,470,721 | 931,144,002 |
| Changes in Inventories | 25 | (780,886,501) | (466,357,849) |
| Hotel and Club Expenses | 26 | 57,883,460 | 56,974,814 |
| Real Estate Support Operations Expenses | 27 | 61,807,152 | 46,621,032 |
| | | 851,794,378 | 1,274,974,116 |
| Employee Benefit Expense | 28 | 144,210,775 | 149,788,432 |
| Advertisement & Business Promotion | | 38,802,819 | 69,170,149 |
| Finance Costs | 29 | 30,301,156 | 28,620,262 |
| Other Expenses | 30 | 102,682,653 | 99,095,617 |
| Depreciation & Amortization expenses | | 26,004,622 | 23,982,313 |
| | | **1,193,796,403** | **1,645,630,890** |
| **Profit before extraordinary items and tax** | | **420,390,545** | 844,137,448 |
| **Tax Expenses :** | 31 | | |
| i) Current Tax | | 83,361,879 | 149,923,000 |
| ii) Deferred Tax | | 5,557,000 | (1,328,000) |
| **Total Tax Expense** | | **88,918,879** | **148,595,000** |
| Less : Minority Interest | | (1,415) | (1,773) |
| **Profit for the Year after tax** | | **331,473,081** | **695,544,221** |
| Earning Per Share<br>(On Shares of nominal value of ₹ 10/- each)<br>Basic and Diluted | | 17.81 | 37.37 |

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: 3055123E**

**Vishal Gupta**
Managing Director

**Ankur Gupta**
Jt. Managing Director

**Varun Gupta**
Wholetime Director

**Abhishek Gupta**
**Partner**
**Membership No: 529082**
**Place: New Delhi**
**Date: 30th May, 2013**

**Bhagwan Kumar**
Company Secretary

**Manojit Sengupta**
General Manager - F&A

# Notes to the Accounts

| | Particulars | As at 31.03.2013 ₹ | As at 31.03.2012 ₹ |
|---|---|---|---|
| 1 | **SHARE CAPITAL** | | |
| | **Authorised :** | | |
| | 35000000 Equity shares of ₹ 10/- each | **350,000,000** | **350,000,000** |
| | **Issued, Subscribed and Paid up :** | | |
| | 18609955 Equity shares of ₹ 10/- each fully paid up | **186,099,550** | 186,099,550 |
| | | **186,099,550** | **186,099,550** |
| 2 | **RESERVES & SURPLUS** | | |
| | **Capital Reserve** | **1,518,000** | 1,518,000 |
| | | **1,518,000** | **1,518,000** |
| | **Securities Premium Reserve** | | |
| | As per Last Account | **14,400,000** | 14,400,000 |
| | | **14,400,000** | **14,400,000** |
| | **General Reserve** | | |
| | As per last Account | **2,020,600,000** | 1,518,474,627 |
| | Add: Transfer from Consolidated Surplus in Profit & Loss Account | **237,000,000** | 502,125,373 |
| | | **2,257,600,000** | **2,020,600,000** |
| | **Surplus/(Deficit) in the statement of Profit and Loss** | | |
| | As per last Account | **175,253,375** | 30,499,676 |
| | Profit for the Year | **331,473,082** | 695,544,221 |
| | Less: Appropriations | | |
| | Proposed equity dividend | **(41,872,399)** | (41,872,399) |
| | Tax on Proposed Equity dividend | **(6,792,750)** | (6,792,750) |
| | Transfer to General Reserve | **(237,000,000)** | **(502,125,373)** |
| | **Net Surplus in the statement of Profit and Loss** | **221,061,308** | **175,253,375** |
| | | **2,494,579,308** | **2,211,771,375** |
| 3 | **LONG-TERM BORROWINGS:** | | |
| | **SECURED LOANS** | | |
| | Term Loan | | |
| | a) From Bank | | |
| | Corporate Loan -From AXIS Bank Limited | **133,333,336** | - |
| | Secured by exclusive mortgage on "TreeHouse" Hotel with 101 rooms and retail mall of 38,687 sq. ft. at Village Centre, Vasundhara Colony, Bhiwadi Dist. Alwar | | |
| | Terms of Repayment : 72 equal monthly installments commencing from 31.08.2012 | | |
| | b) From Others | | |
| | (i) Construction Loan - From HDFC limited | - | 107,764,151 |
| | Secured by (i) first exclusive mortgage on land admeasuring 86717.5 Sq. Mtr. in Ashiana Aangan Project along with construction thereon, both present and future and (ii) assignment of receivables including booking amount relating to Ashiana Aangan (Phase IV, V & VI) and all insurance proceeds, present & future. | | |
| | Terms of Repayment : 10% of all sale receipts of Ashiana Aangan project (Phase IV, V & VI) towards principal repayment to be completed with in 24 months from the date of disbursement. (19.05.2011) | | |

| Particulars | As at 31.03.2013 ₹ | As at 31.03.2012 ₹ |
|---|---|---|
| (ii) Corporate Loan -From HDFC Limited | - | 100,000,000 |
| Secured by (i) first exclusive mortgage on land admeasuring 3774.80 sq. mtr. at Village Centre, Vasundhara Colony, Bhiwadi Dist. Alwar along with construction thereon, both present and future. (ii) Assignment of all receivables accruing from the hotel cum club facility and Retail Commercial Space situated at The treehouse and Village Centre, Vasundhara Colony, Phase-2, Bhiwadi . | | |
| Terms of Repayment : 120 EMI Starting from the date of complete disbursement. | | |
| **Vehicle Loan** | | |
| a) From Banks: | | |
| Axis Bank Limited | - | 83,647 |
| HDFC Bank Limited | **4,576,028** | 8,485,895 |
| b) From Others: | | |
| Tata Capital Ltd | **945,502** | 1,524,663 |
| Secured against hypothecation of vehicles financed by them. | | |
| Terms of Repayment: | | |
| ₹ 45,19,386/- Under 36 EMI Scheme | | |
| ₹ 6,59,803/- Under 48 EMI Scheme | | |
| ₹ 3,42,341/- Under 60 EMI Scheme | | |
| | **138,854,866** | 217,858,356 |
| Less : Current Maturity (Refer Note No. 10) | **28,352,082** | 112,336,823 |
| | **110,502,784** | **105,521,533** |
| **4 DEFERRED TAX LIABILITIES (NET)** | | |
| Deferred Tax Liability on Fiscal allowance of fixed assets | **42,512,000** | 35,593,000 |
| Less: Deferred Tax Assets on | | |
| Unabsorbed losses and provisions | **66,000** | 364,000 |
| Employee Benefits | **5,779,000** | 4,119,000 |
| | **36,667,000** | **31,110,000** |
| **5 OTHER LONG TERM LIABILITIES** | | |
| Security Deposit from Treehouse Members | **23,412,895** | 23,562,782 |
| Lease Rent Deposit | **23,287,980** | 23,237,971 |
| Deposit from Customers | **141,818,995** | 102,944,801 |
| | **188,519,870** | **149,745,554** |
| **6 LONG TERM PROVISIONS** | | |
| Provision for Gratuity | **17,813,377** | 12,697,050 |
| | **17,813,377** | **12,697,050** |
| **7 SHORT-TERM BORROWINGS** | | |
| SECURED LOANS | | |
| Loan Repayable on Demand | | |
| From HDFC Bank Limited - Bank Overdraft | **223,384** | - |
| (Secured against pledge of Fixed Deposit Receipts) | | |
| | **223,384** | **-** |
| **8 ADVANCE FROM CUSTOMERS** | | |
| Customer Advance | **902,224,829** | 2,443,318,904 |
| Less: Ongoing Projects Adjustment Account | **65,491,983** | 2,217,589,194 |
| | **836,732,846** | **225,729,710** |
| **9 TRADE PAYABLES** | | |
| Sundry Creditors | **84,114,895** | 74,103,600 |
| | **84,114,895** | **74,103,600** |

# Notes to the Accounts

| Particulars | As at 31.03.2013 ₹ | As at 31.03.2012 ₹ |
|---|---|---|
| **10 OTHER CURRENT LIABILITIES** | | |
| Current maturities of long-term debt (Refer Note No. 3) | **28,352,082** | 112,336,823 |
| Interest accrued but not due on borrowings | **36,454** | 62,874 |
| Interest accrued and due on borrowings on 31.03.2013 (Auto debited on 01.04.2013) | **1,523,145** | - |
| Unclaimed Dividends | **8,579,523** | 6,778,430 |
| Security deposits | **11,314,694** | 14,796,136 |
| Other liabilities | **71,818,566** | 74,869,837 |
| Maintenance Fund | **7,754,250** | 5,127,944 |
| | **129,378,715** | **213,972,044** |
| **11 SHORT-TERM PROVISIONS** | | |
| Provision for Taxation - Net | **270,741** | 34,616,880 |
| Proposed Dividend | **41,872,399** | 41,872,399 |
| Corporate Dividend Tax | **6,792,750** | 6,792,750 |
| | **48,935,890** | **83,282,029** |

## 12 FIXED ASSETS

| | GROSS BLOCK | | | DEPRECIATION / AMORTIZATION | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2012 ₹ | Additions / (Deductions) ₹ | As at 31.03.2013 ₹ | Up to Last year ₹ | For the year ₹ | Up to 31.03.2013 ₹ | As at 31.03.2013 ₹ | As at 31.03.2012 ₹ |
| **TANGIBLE ASSETS** | | | | | | | | |
| BUILDING | 230,506,938 | 2,563,746 | **233,070,684** | 23,714,222 | 6,661,054 | **30,375,276** | **202,695,408** | 206,792,716 |
| PLANT & MACHINERY | 160,079,448 | 16,294,427 | **176,373,875** | 28,636,243 | 8,064,945 | **36,701,188** | **139,672,687** | 131,443,205 |
| FURNITURE & FIXTURES | 44,162,435 | 4,098,424 | **48,260,859** | 12,027,007 | 2,799,656 | **14,826,663** | **33,434,196** | 32,135,428 |
| ELECTRICAL INSTALLATIONS | 13,415,563 | 773,792 | **14,189,355** | 2,843,174 | 615,150 | **3,458,324** | **10,731,031** | 10,572,389 |
| EQUIPMENTS AND FACILITIES | 28,067,767 | 3,695,685 | **31,083,673** | 4,470,417 | 1,395,031 | **5,724,400** | **25,359,273** | 23,597,350 |
| | | (679,779) | | - | (141,048) | | | |
| COMPUTERS | 19,312,794 | 5,424,239 | **24,737,033** | 10,647,342 | 2,992,788 | **13,640,130** | **11,096,903** | 8,665,452 |
| | | | - | | | | | |
| VEHICLES | 27,692,164 | 51,837 | **26,894,463** | 5,389,898 | 2,569,749 | **7,624,300** | **19,270,163** | 22,302,266 |
| | | (849,538) | | | (335,347) | | | |
| **TOTAL (A)** | 523,237,109 | 32,902,150 | **554,609,942** | 87,728,303 | 25,098,373 | **112,350,281** | **442,259,661** | 435,508,806 |
| | | (1,529,317) | | | (476,395) | | | |
| **INTANGIBLE ASSETS** | | | | | | | | |
| TRADEMARK AND LOGO | - | 11,143,152 | **11,143,152** | - | 195,387 | **195,387** | **10,947,765** | - |
| GOODWILL | 100,000 | - | - | 100,000 | - | - | - | - |
| | | (100,000) | | | (100,000) | | | |
| GOODWILL ON CONSOLIDATION | 21,124 | - | **21,124** | - | - | - | **21,124** | 21,124 |
| SOFTWARE | 6,005,173 | 1,021,065 | **7,026,238** | 1,602,752 | 1,292,290 | **2,895,042** | **4,131,196** | 4,402,421 |
| **TOTAL (B)** | 6,126,297 | 12,164,217 | **18,190,514** | 1,702,752 | 1,487,677 | **3,090,429** | **15,100,085** | 4,423,545 |
| | | (100,000) | | | (100,000) | | | |
| **TOTAL (A+B)** | 529,363,406 | 45,066,367 | **572,800,456** | 89,431,055 | 26,586,050 | **115,440,710** | **457,359,746** | 439,932,351 |
| | | (1,629,317) | | | (576,395) | | | |
| **INTANGIBLE ASSETS - UNDER DEVELOPMENT** | | 1,266,000 | **1,266,000** | - | - | - | **1,266,000** | - |
| **GRAND TOTAL** | **529,363,406** | **46,332,367** | **574,066,456** | **89,431,055** | **26,586,050*** | **115,440,710** | **458,625,746** | - |
| | | **(1,629,317)** | | | **(576,395)** | | | |
| **PREVIOUS YEAR FIGURES** | 491,191,144 | 54,952,569 | **529,363,406** | 68,166,139 | 24,655,617 | **89,431,055** | - | 439,932,351 |
| | | (16,780,307) | | | (3,390,701) | | | |

* Includes ₹ 581,428/- (P.Y. ₹ 673,304/-) Charged to Project Expenses.

| Particulars | As at 31.03.2013 ₹ | As at 31.03.2012 ₹ |
|---|---|---|
| **13 NON-CURRENT INVESTMENTS** | | |
| **In Immovable Properties:** | | |
| Retail space at Village Centre, Bhiwadi | **88,515,920** | 88,515,920 |
| Building at W-177, Greater Kailash - II, New Delhi | **32,939,879** | 32,939,879 |
| Land at RIICO Industrial Area, Bhiwadi, Rajasthan | **3,613,539** | 1,782,139 |
| Building at Ashiana Plaza, Patna | **1,616,571** | 1,616,571 |
| Roof rights, Ashiana Trade Centre, Jamshedpur | **1,500,000** | 1,500,000 |
| Bageecha office, Bhiwadi | **313,042** | 313,042 |
| Flats at Utsav, Bhiwadi | **7,432,218** | 7,432,216 |
| Shops, Ashiana Trade Centre, Jamshedpur | **313,186** | 313,186 |
| Activity Centre, Utsav Bhiwadi * | **-** | 2,563,744 |
| 21 nos single room flats in Rangoli-II at Bhiwadi | **93,500** | 93,500 |
| | **136,337,853** | **137,070,197** |
| * Transferred to Fixed Assets | | |
| **In Capital of Partnership Firms:** | | |
| Ashiana Manglam Developers | **115,626,694** | 147,054,098 |
| Ashiana Greenwood Developers | **13,544,648** | 16,301,435 |
| Megha Colonizers - Rangoli Division | **(188,708,742)** | 39,437,216 |
| Ashiana Manglam Builders | **87,522,829** | 40,000,000 |
| | **27,985,429** | 242,792,749 |
| (A) | **164,323,282** | **379,862,946** |

| Particulars | Face Value per share ₹ | No. of Shares/ Units | As at 31.03.2013 ₹ | No. of Shares/ Units | As at 31.03.2012 ₹ |
|---|---|---|---|---|---|
| In fully paid up equity shares | | | | | |
| **Quoted** | | | | | |
| IFGL Refractories Ltd | 10 | 10,224 | **790,939** | 10,224 | 790,939 |
| S.M. Telesys Ltd. | 10 | - | **-** | 2,500 | 25,000 |
| Timken India Ltd. | 10 | - | **-** | 54 | 3,696 |
| Modern Woolen Ltd. | 10 | - | **-** | 50 | 1,575 |
| Ispat Profile Ltd. | 10 | - | **-** | 100 | 782 |
| Modern Threads Ltd. | 10 | - | **-** | 23 | 280 |
| Elite Leasings Ltd. | 10 | 3,750 | **6,218** | 3,750 | 6,218 |
| | | | **797,157** | | 828,490 |
| **Unquoted** | | | | | |
| Adityapur Toll Bridge Company Ltd. | 10 | 20,000 | **200,000** | 20,000 | 200,000 |
| | | | **997,157** | | 1,028,490 |
| In Government Securities | | | | | |
| National Saving Certificate(Pledged) | | | **20,000** | | 20,000 |
| (B) | | | **1,017,157** | | 1,048,490 |
| Total (A) + (B) | | | **165,340,439** | | **380,911,436** |

| Particulars | Face Value per share ₹ | No. of Shares/ Units | As at 31.03.2013 ₹ | No. of Shares/ Units | As at 31.03.2012 ₹ |
|---|---|---|---|---|---|
| **14 CURRENT INVESTMENTS** | | | | | |
| **1. In Fully paid up Equity Shares** | | | | | |
| Quoted | | | | | |
| Alstom Projects India Limited | - | - | **-** | 235 | 140,552 |
| Areva T&D India Limited | - | - | **-** | 202 | 52,030 |
| Bajaj Finance Limited | - | - | **-** | 159 | 119,100 |
| BGR Energy Systems Limited | 10 | 362 | **-** | 362 | 189,368 |

# Notes to the Accounts

| Particulars | Face Value per share ₹ | No. of Shares/ Units | As at 31.03.2013 ₹ | No. of Shares/ Units | As at 31.03.2012 ₹ |
|---|---|---|---|---|---|
| Bharat Heavy Electricals Limited | 10 | 520 | - | 520 | 207,437 |
| Cholamandalam Investment and Finance co.Limited | - | - | - | 347 | 63,286 |
| City Union Bank Limited | - | - | - | 2,237 | 106,074 |
| Crompton Greaves Limited | 2 | 383 | - | 383 | 97,282 |
| Cummins India Limited | - | - | - | 360 | 139,437 |
| Dewan Housing Finance Corporation Limited | 10 | 383 | - | 383 | 119,676 |
| Diamond Power Infrastructure Limited | 10 | 362 | - | 362 | 74,603 |
| Edelweiss Capital Limited | 1 | 2,747 | - | 2,747 | 154,395 |
| Emkay Global Finance Services Limited | 10 | 493 | - | 493 | 51,955 |
| Federal Bank Limited | - | - | - | 253 | 107,897 |
| GEI Industrial Systems Limited | 10 | 215 | - | 215 | 38,052 |
| Geojit Financial Services Limited | 10 | 1,933 | - | 1,933 | 73,604 |
| GIC Housing Finance Limited | 10 | 749 | - | 749 | 99,293 |
| GOLDMAN SACHS MF | - | - | - | 1 | 1,000 |
| India Infoline Limited | 2 | 1,066 | - | 1,066 | 122,548 |
| Indian Bank Limited | 10 | 456 | - | 456 | 117,405 |
| LIC housing Finance Limited | - | - | - | 455 | 122,247 |
| Mahindra & Mahindra Financial Services Limited | 10 | 142 | - | 142 | 112,677 |
| Manappuram General Finance & Leasing Limited | 10 | 1,714 | - | 1,714 | 121,276 |
| Motilal Oswal Financial Services Limited | 1 | 620 | - | 620 | 110,379 |
| Phoenix Mills Limited | - | - | - | 483 | 101,711 |
| Power Grid Corporation of India Limited | - | - | - | 906 | 93,911 |
| Savita Oil Technoligies Limited | 10 | 199 | - | 199 | 106,221 |
| Shriram City Union Finance Limited | 10 | 35 | - | 35 | 24,079 |
| Shriram Transport Finance Company Limited | 10 | 91 | - | 91 | 64,216 |
| South Indian Bank Ltd. | 10 | 3,814 | - | 3,814 | 88,676 |
| Sundaram Finance Limited | - | - | - | 112 | 73,907 |
| Techno Electric & Engineering Company Limited | 2 | 396 | - | 396 | 107,747 |
| Thermax Limited | 10 | 296 | - | 296 | 196,120 |
| Yes Bank Limited | 10 | 444 | - | 444 | 124,683 |
| | | | - | | 3,522,843 |
| **2. In Mutual Funds (Unquoted)** | | | | | |
| Debt Funds/ Liquid Funds/ FMPs | | | | | |
| Birla SL Dynamic Bond Fund - Retail - Growth | 10 | - | - | 9,012,121.96 | 157,000,000 |
| DSP Black Rock Income Opportunity - IP - Growth | 1000 | 89,372.37 | **141,696,873** | - | - |
| HSBC FLEXI DEBT FUND | 10 | 3,027,919.73 | **47,000,000** | - | - |
| BNP Paribas Short Term Income Fund - Inst Growth | 10 | - | - | 4,269,374.19 | 50,000,000 |
| JP Morgan India Short Term Income Fund | 10 | - | - | 11,770,821.02 | 135,000,000 |
| SBI Dynamic Bond Fund | 10 | 5,621,055.05 | **77,800,000** | - | - |
| Morgan Stanley Liquid Fund - Daily Dividend | 10 | - | - | 899.55 | 900,000 |
| UTI Treasury Advantage Fund - IP - Growth | 1000 | 2,531.23 | **4,000,000** | - | - |
| UTI Treasury Advantage Fund Institutional Plan | 1000 | 21,526.02 | **34,000,000** | 73,134.86 | 104,182,887 |
| BNP Paribas Fixed Term Fund - Sr 21 F - Growth | 10 | - | - | 114,400.00 | 1,144,000 |
| BSL Dynamic Bond Fund | 10 | 482,965.29 | - | 482,965.29 | 5,572,048 |
| DSP Black Rock Income Opportunity Fund | 10 | 1,503,579.00 | - | - | - |
| DSP Black Rock Liquidity Fund - Regular Plan - Growth | 10 | 62,341.29 | - | 62,341.29 | 1,500,000 |
| DSP Black Rock Liquidity Fund - DP - Growth | 10 | 4,801.99 | **8,006,627** | - | - |
| DSP Black Rock Income Opportunity Fund - RP - Growth | 10 | 1,764,606.11 | **31,535,798** | - | - |
| DSP Black Rock Micro Cap Fund - Regular - Growth | 10 | 154,960.30 | **2,500,000** | - | - |
| DSP Black Rock Micro Cap Fund - Regular - Growth | 10 | 154,960.30 | - | 154,960.30 | 2,500,000 |
| HDFC FMP 25M September 2010 - Growth Option | 10 | 300,000.00 | - | 300,000.00 | 3,000,000 |
| HDFC Mid - Cap Opportunities - G | 10 | 230,506.39 | **3,499,700** | 230,506.39 | 3,499,700 |
| HDFC Top 200 Fund - Growth Option | 10 | 21,315.00 | **4,386,900** | 13,147.16 | 2,502,539 |
| HDFC Top 200 Fund - Growth Option | 10 | 17,934.93 | **3,553,813** | 17,934.93 | 3,499,700 |
| Kotak FMP 24M Series 2 - Growth | 10 | - | - | 300,000.00 | 3,000,000 |
| Morgan Stanley Short Term Bond Fund | 10 | 20,969.55 | **214,326** | - | - |

| Particulars | Face Value per share ₹ | No. of Share | As at 31.03.2013 ₹ | No. of Share | As at 31.03.2012 ₹ |
|---|---|---|---|---|---|
| Morgan Stanley Multi Assets Fund - QD | 10 | 759,546.32 | **7,604,411** | 714,904.30 | 7,148,900 |
| Morgan Stanley Multi Assets Plan A - G | 10 | 329,939.67 | **3,500,000** | - | - |
| Reliance Dual Advantage FTF Plan B - Growth | 10 | 159,540.00 | **1,595,400** | 159,540.00 | 1,595,400 |
| Reliance FHF Series 12 - G | 10 | 345,950.00 | **-** | 345,950.00 | 3,459,500 |
| Religare FMP Series XI Plan C - G | 10 | 529,050.00 | **-** | 529,050.00 | 5,290,600 |
| SBI Dynamic Growth Fund | 10 | 857,270.31 | **12,296,000** | - | - |
| | | | **383,189,848** | | **490,795,274** |
| **Bonds** | | | | | |
| Air India Bonds | 1000000 | 38.00 | **-** | - | 39,008,200 |
| | | | **383,189,848** | | **533,326,317** |
| Less: Provision for dimunition in value | | | **203,021** | | 1,122,029 |
| | | | **382,986,827** | | **532,204,288** |

## 15 INVENTORIES

| | | |
|---|---|---|
| Stock | | |
| Land : | | |
| Project Launched | **441,851,063** | 93,875,911 |
| Others | **741,869,401** | 605,760,437 |
| Unsold completed constructions | **127,161,728** | 133,545,501 |
| Work-in-progress | **645,001,320** | 344,300,165 |
| Construction materials | **34,443,161** | 60,560,343 |
| Other Consumables | **1,978,660** | 1,527,141 |
| | **1,992,305,333** | **1,239,569,498** |

## 16 TRADE RECEIVABLES

| | | |
|---|---|---|
| (Unsecured, Considered Good) | | |
| Due for more than six months | **34,482,563** | 12,041,415 |
| Other Debts | **106,372,730** | 42,895,925 |
| | **140,855,293** | **54,937,340** |

## 17 CASH AND BANK BALANCES

| | | |
|---|---|---|
| Cash-in-hand | **3,105,613** | 2,111,090 |
| Cheques-in-hand | **1,402,382** | 26,049,907 |
| Balances with Scheduled Banks : | | |
| In Current Account | **147,402,298** | 124,453,651 |
| In Unclaimed Dividend Account | **8,579,523** | 6,778,430 |
| In Fixed Deposit Account* | **415,883,716** | 276,030,977 |
| | **576,373,532** | **435,424,055** |
| * Pledged | **158,926,019** | 44,830,955 |
| * Maturing after 12 months from close of the year | **141,778,942** | 211,087,508 |

## 18 SHORT TERM LOANS AND ADVANCES

| | | |
|---|---|---|
| (Unsecured, considered good) | | |
| Advance/Deposit against land/development rights | | |
| Project Launched | **51,505,820** | 40,050,658 |
| Others | **168,715,804** | 58,248,309 |
| Advances recoverable in cash or in kind or for value to be received | **129,444,965** | 90,731,749 |
| Loan to Other | **1,600,000** | - |
| Unaccrued Selling Expenses | **44,132,557** | 13,991,571 |
| Deposits | **7,896,547** | 8,533,330 |
| | **403,295,693** | **211,555,617** |

## 19 OTHER CURRENT ASSETS

| | | |
|---|---|---|
| Preliminary Expenses | **28,352** | 42,528 |
| (To the extent not written off or adjusted) | **28,352** | **42,528** |

# Notes to the Accounts

| Particulars | 2012-2013 ₹ | 2011-2012 ₹ |
|---|---|---|
| **20 REVENUE FROM OPERATIONS** | | |
| Real Estate: | | |
| a) Completed Projects (on Possession) | 990,006,736 | 421,650,172 |
| b) Ongoing Projects | 45,757,604 | 1,723,122,469 |
| c) Sale of Land | 75,000,663 | - |
| Real Estate Support Operations | 117,648,556 | 90,383,699 |
| Hotel & club: | | - |
| Rooms, Restaurant, Banquets and other services | 115,596,702 | 118,966,607 |
| | **1,344,010,261** | **2,354,122,947** |
| **21 INCOME FROM PARTNERSHIP** | | |
| Share of profit | 73,866,592 | 26,909,904 |
| Project Management Fees | 68,674,200 | 52,180,300 |
| | **142,540,792** | **79,090,204** |
| **22 OTHER INCOME** | | |
| Interest | 54,474,214 | 30,103,865 |
| Income from Investments: | | |
| Rent | 5,437,718 | 4,492,267 |
| Dividend | 909,405 | 1,010,783 |
| Profit on sale of investments | 46,741,447 | 10,715,902 |
| Fee and Subscription | 1,490,778 | 1,372,103 |
| Rent and Hire charges | 3,353,641 | 1,240,721 |
| Miscellaneous Income | 12,975,680 | 7,333,454 |
| Liabilities Written Back | 1,334,004 | 286,092 |
| Provision for Dimunition in Value of Investment written back | 919,008 | - |
| | **127,635,895** | **56,555,186** |
| **23 PURCHASES** | | |
| Land / Development Rights | 613,454,519 | 522,594,835 |
| Flats/ Bunglows/ Shops | 4,420,000 | 25,210,551 |
| | **617,874,519** | **547,805,386** |
| **24 PROJECT EXPENSES *** | | |
| Consumption of construction materials (Indigenous) | 470,084,491 | 600,239,908 |
| Wages | 91,979,201 | 109,988,463 |
| PRW Charges | 81,384,633 | 111,152,763 |
| Other Direct Construction Expenses | 75,280,051 | 86,187,323 |
| Power & Fuel | 9,137,339 | 10,867,749 |
| Architects' Fee & Consltancy Charges | 15,218,002 | 11,271,845 |
| Salary, Wages, bonus and allowances | 49,429,790 | 8,109,323 |
| Staff welfare expenses | 6,782,407 | 1,002,661 |
| Rent | 338,975 | 225,600 |
| Insurance | 453,786 | 71,487 |
| Loan Processing Charges | 9,687,812 | - |
| Repair & Maintenance | | |
| To Machineries | 1,485,317 | 131,459 |
| To Building | - | 1,676,573 |
| To Others | 1,736,976 | 249,947 |
| Miscellaneous project expenses | 79,050,538 | 56,264,599 |
| Depreciation | 581,428 | 673,304 |
| | 892,630,746 | 998,113,004 |
| Less: Ongoing Project Adjustment | 23,985,719 | 839,326,271 |
| | **868,645,027** | **158,786,733** |
| * Includes Project Post - Completion Expenses | 4,770,671 | - |

| Particulars | 2012-2013 ₹ | 2011-2012 ₹ |
|---|---|---|
| **25 CHANGES IN INVENTORIES** | | |
| Opening Stock : | | |
| Land/Development Rights | | |
| Project Launched * | 92,591,040 | 79,032,986 |
| Less: Transfer to investments | - | (571,278) |
| Others | 605,760,437 | 116,094,678 |
| | 698,351,477 | 194,556,386 |
| Unsold completed construction * | 132,345,370 | 190,470,896 |
| Less: Transfer to investments | - | (6,860,938) |
| Work-in-progress | 344,300,165 | 332,957,820 |
| | 1,174,997,012 | 711,124,164 |
| Less: Closing Stock: | | |
| Land/Development Rights | | |
| Project Launched | 441,851,063 | 93,875,911 |
| Others | 741,869,401 | 605,760,437 |
| Unsold completed construction | 127,161,728 | 133,545,501 |
| Work-in-progress | 645,001,321 | 344,300,165 |
| | 1,955,883,513 | 1,177,482,014 |
| | (780,886,501) | (466,357,849) |
| * Net of ongoing project adjustment | 2,485,002 | 91,817,731 |
| **26 HOTEL & CLUB EXPENSES** | | |
| Consumables (indigenous) | 18,168,462 | 16,657,029 |
| Personnel | 12,993,958 | 13,473,646 |
| Power & fuel | 11,260,232 | 9,949,394 |
| Other running expenses | 15,460,807 | 16,894,746 |
| | 57,883,460 | 56,974,814 |
| **27 REAL ESTATE SUPPORT OPERATIONS EXPENSES** | | |
| Consumption of Maintenance Materials (Indigenous) | 6,856,772 | 4,729,554 |
| Work Charges | 24,714,413 | 17,379,988 |
| Power & Fuel (net) | 4,971,017 | 5,534,884 |
| Repairs and Maintenance - To Machineries | 5,259,209 | 3,137,857 |
| Security charges | 15,530,698 | 12,463,928 |
| Other Maintenance Expenses | 4,475,043 | 3,374,821 |
| | 61,807,152 | 46,621,032 |
| **28 EMPLOYEE BENEFIT EXPENSE** | | |
| Salary, Wages, bonus and allowances | 103,470,615 | 108,679,692 |
| Directors' Remuneration | 12,348,724 | 19,830,186 |
| Contribution to Provident & Other Funds | 2,876,869 | 2,882,618 |
| Staff & Labour welfare expenses | 25,514,567 | 18,395,936 |
| | 144,210,775 | 149,788,432 |
| **29 FINANCE COSTS** | | |
| Interest | | |
| - On Term Loan | 27,690,600 | 23,494,919 |
| - Others | 1,767,856 | 1,002,915 |
| Loan Processing & Other Financial Charges | 842,700 | 4,122,428 |
| | 30,301,156 | 28,620,262 |
| **30 OTHER EXPENSES** | | |
| Rent | 12,764,029 | 12,155,533 |
| Rates and Taxes | 2,402,407 | 1,556,361 |
| Insurance | 588,350 | 492,511 |
| Travelling and Conveyance | 16,242,997 | 13,656,873 |

# Notes to the Accounts

| Particulars | 2012-2013 ₹ | 2011-2012 ₹ |
|---|---|---|
| Legal and Professional expenses | 11,715,652 | 16,550,537 |
| Commission | 1,647,559 | 889,545 |
| Repairs and Maintenance : | | |
| To Machineries | 1,324,053 | 3,341,992 |
| To Building | 3,989,601 | 3,257,026 |
| To Others | 9,674,071 | 13,741,392 |
| Directors' Fees | 29,000 | 34,750 |
| Miscellaneous expenses | 41,251,972 | 30,874,335 |
| Irrecoverable Balances Written off | 219,304 | 444,578 |
| Investment written off | 31,333 | - |
| Loss on Sale of fixed assets | 746,616 | 1,761,218 |
| Items relating to previous year (Net) | 41,533 | 33,741 |
| Preliminary Expenses written off | 14,176 | 14,176 |
| Provision for Diminution in value of current Investment | - | 291,049 |
| | 102,682,653 | 99,095,617 |

**31 TAX EXPENSES**

| | | |
|---|---|---|
| Current tax | | |
| Income Tax | 81,284,500 | 149,562,000 |
| Wealth Tax | 597,000 | 361,000 |
| Income tax Adjustments | 1,480,379 | - |
| | 83,361,879 | 149,923,000 |
| Deferred Tax | | |
| Deferred Tax | 5,557,000 | (1,328,000) |
| | 88,918,879 | 148,595,000 |

**32 NOTES ON ACCOUNTS**

**1) SIGNIFICANT ACCOUNTING POLICIES**

**PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements include the financial statements of Ashiana Housing Limited and its subsidiaries. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard AS – 21 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India ('ICAI') and notified pursuant to the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements are prepared on the following basis:

a) Consolidated Financial Statements normally include consolidated Balance Sheet, consolidated statement of Profit & Loss, consolidated statement of Cash flows and notes to the Consolidated Financial Statements and explanatory statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.

b) The Consolidated Financial Statements include the financial statements of the company and all its subsidiaries.

c) The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating inter-group balances / transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated.

d) Minority interest represents the amount of equity attributable to minority shareholders / partners at the date on which investment in a subsidiary is made and its share of movements in equity since that date.

e) Notes to the Consolidated Financial Statements represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

**SYSTEM OF ACCOUNTING :**

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

**FIXED ASSETS**

**1**. Fixed assets are valued at cost less depreciation/ amortization

**2**. Capital Work in progress is valued at cost

**3**. Intangible Assets under Development is valued at cost.

**DEPRECIATION AND AMORTIZATION**

1 Depreciation on tangible asset is provided on straight line basis in accordance with the provision of Schedule XIV of Companies Act, 1956 except that depreciation on the Fixed Assets held by Subsidiary Partnership Firms and Limited Liability Partnership firms, is provided at the rate as specified in Income Tax Rules, 1962.

2 Intangible assets are amortised over the period of useful life of the assets as estimated by the management except that depreciation on intangible assets held by Subsidiary Partnership Firms and Limited Liability Partnership firms, is provided at the rate as specified as Income Tax Rule, 1962.

**INVENTORIES :**

Inventories are valued as follows:

| | |
|---|---|
| Construction Material and Other consumables | At Lower of cost and net realizable value. However, materials and other items are not written down below cost if the constructed units/food, beverages etc. in which they are used are expected to be sold at or above cost. Cost is determined on FIFO basis. |
| Leasehold and Freehold 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, labor and Project specific direct and indirect expenses, except in Subsidiary Partnership Firms wherein all expenses are included in such cost. |

**REAL ESTATE PROJECTS AND SALES**

a) Revenue in respect of the projects undertaken before 31st March, 2006 and the projects which have not reached the level of completion as considered appropriate by the management within 31st March, 2011, as discussed in (b) below, 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 or (iii) on physical possession for fitout, as considered appropriate by the management based on circumstantial status of the project.

b) Revenue in respect of projects undertaken on or after 1st April, 2006 which have reached the level of construction as considered appropriate by the management within 31st March, 2011 is recognized on the " Percentage of Completion Method" (POC) of accounting and represents value of units contracted to be sold to the extent of actual work done against total estimated cost of execution. The corresponding cumulative amount at the close of the year appears under 'Current Liabilities' as deduction from "Advance from customers'.

The estimates of saleable area and construction cost are reviewed periodically by the management and effect of any change in estimates is recognized in the period such changes are determined.

c) Selling Expenses related to specific projects/units are being charged to Profit and Loss account in the year in which sale thereof is offered for taxation.

d) Revenue from rooms, food and beverages, club and other allied services, is recognized upon rendering of the services.

e) Project maintenance charges and Other income is accounted for on accrual basis except where the receipt of income is uncertain.

f) Interest on delayed payments and other charges are accounted for on certainty of realization.

**OTHER INCOME**

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

**TAXES ON INCOME :**

a) Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

b) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax Assets/Liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax in respect of differential income due to accounting of sales on percentage completion basis, being not determinate, is not recognized.

**INVESTMENTS :**

a) 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. Long Term Investments which have attained the stage of permanent diminution in their value are revalued at their current value.

b) Value of Intangible capital rights created in favor of the company in the process of Real Estate activities, being not determinate, are not shown in the books of accounts.

**FOREIGN CURRENCY TRANSACTIONS :**

Income and Expenditure in foreign currency is converted into rupee at the rate of exchange prevailing on the date of the transactions.

**EMPLOYEE BENEFITS**

(a) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

(b) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ exemptions 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 recognized in the period in which the results are known/ materialized.

# Notes to the Accounts

**IMPAIRMENT OF ASSETS :**

Impairment Loss in the value of assets, as specified in Accounting Standard -28 is recognised whenever carrying value of such assets exceeds the market value or value in use , whichever is higher.

2) Contingent Liability, not provided for, in respect of :

a) Claims not acknowledged as debts

| | | |
|---|---|---|
| Cess - Sonari land | ₹ 45.91 lakhs | (₹ 37.53 lakhs) |
| Service Tax | ₹ 6.92 lakhs | (Nil) |
| Bank Guarantee | ₹ 0.25 lakhs | (₹0.25 lakhs) |
| Income Tax | ₹ 12.45 lakhs | (Nil) |
| Entry Tax | ₹ 9.35 lakhs | (Nil) |

b) Contested claim of the Government of Rajasthan for refund of State Capital Subsidy including interest ₹ 55.79 lakhs (₹ 54.75 lakhs) against which the company has deposited ₹ 55.79 lakhs (₹15 lakhs) under protest.

c) Contested claim of Secretary, UIT, Bhiwadi for payment of Completion Certificate Charges amounting to ₹ 12.53 lakhs (₹12.53 lakhs) against which the company has deposited ₹ 12.53 lakhs (₹ 12.53 lakhs) under protest.

d) Contested claim of a customer pursuant to the order of the District Consumer Forum ₹ 2.66 lakhs (Nil) against which the company has deposited ₹ 2.66 lakhs (Nil) under protest.

3) Estimated amount of contract remaining to be executed on capital account and not provided for amounts to ₹182.86 lakhs (Nil) against which the company has given advance of ₹ 15.10 lakhs (Nil).

4) The company's Writ Petition before the Hon'ble Rajasthan High Court, challenging applicability of service tax to the company under the category 'Construction of Residential Complex Services', has been dismissed by the Court. In view of this, the amounts of 'Service Tax Received from customers (subjudice)' and 'Service Tax paid under Protest' appearing under the heads "Other Current Liabilities" and "Short Term Loans and Advances" respectively in the previous year accounts have been regrouped/recasted.

5) In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006, the company has determined its business segment as Real Estate Business. Since there are no other business segments in which the company 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.

6) Related parties and transactions with them as specified in the Accounting Standard 18 on "Related Parties Disclosures" prescribed under Companies (Accounting Standards) Rules, 2006 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 | Transactions | 2012-2013 ₹ Lakhs | 2011-2012 ₹ Lakhs |
|---|---|---|---|
| a) Associates and joint ventures | | | |
| i) Ashiana Greenwood Developers | Hire charges received | **Nil** | 0.22 |
| | Maintenance charges received | **1.98** | 15.78 |
| | Referral Fees | **1.75** | 0.25 |
| | Purchase of Flat | **Nil** | 130.43 |
| | Year end Investment | **135.45** | 163.01 |
| ii) Megha Colonizers | Management Fee Received | **686.67** | 521.80 |
| | Rent received | **13.50** | Nil |
| | Hire charges received | **12.56** | 8.72 |
| | Year end Investment | **(1887.09)** | (394.37) |
| iii) Ashiana Manglam Developers | Hire charges received | **Nil** | 1.01 |
| | Year end Investment | **1156.27** | 1470.54 |
| iv) Ashiana Manglam Builders | Year end Investment | **875.29** | 400.00 |
| b) Individuals owning directly or indirectly, an interest in the voting power of the company that gives them control or significant influence over the company, and relatives of any such individual. | | | |
| c) Key management personnel and their relatives | | | |
| i) Vishal Gupta, Managing Director | Remuneration | **24.00** | 24.00 |
| | Commission | **17.17** | 42.10 |
| | Purchase of Flat | **44.20** | Nil |
| | Year End Payable/(Receivable) | **8.17** | 42.10 |

| Related Parties & Relationship | Transactions | 2012-2013 ₹ Lakhs | 2011-2012 ₹ Lakhs |
|---|---|---|---|
| ii) Ankur Gupta, Jt. Managing Director | Remuneration | **24.00** | 26.25 |
| | Commission | **17.17** | 42.10 |
| | Year End Payable/(Receivable) | **8.17** | 42.10 |
| iii) Varun Gupta, Whole Time Director | Remuneration | **30.00** | 29.50 |
| | Commission | **17.17** | 42.10 |
| | Sale of Flat | **67.66** | Nil |
| | Year End Payable/(Receivable | **8.17** | 42.10 |
| | Advance from Customers | **Nil** | 67.66 |
| iv) Hem Gupta (Proprietor of Coffee Quotient) Relative of Directors | Staff Welfare Expenses | **6.01** | 4.73 |
| | Year End Payable/(Receivable) | **0.39** | 0.35 |
| d) Enterprises over which any person described in (b) or (c) is able to exercise significant influence : | | | |
| i) OPG Realtors Limited | Rent | **32.64** | 20.16 |
| | Year End Payable/(Receivable) - Deposit | **(5.04)** | (5.04) |
| ii) Karma Hospitality Limited | Management Fee Paid | **64.74** | 71.01 |
| | Year End Payable/(Receivable) | **4.79** | 7.95 |
| iii) R G Woods Limited | Sale of Flat | **20.66** | Nil |
| | Purchase of Construction Material | **66.28** | 0.54 |
| | Year end Payable/ (Receivable) | **(0.38)** | (20.00) |
| | Advance from Customers | **2.59** | 20.66 |
| iv) B.G. Estates Limited | Year end Payable/ (Receivable) | **Nil** | Nil |
| | Advance from Customers | **187.26** | 102.02 |
| v) OPMG Investments Private Limited | Commission paid | **8.51** | Nil |
| f) Amount Written off in respect of above parties | | - | - |

7) The earning per share has been calculated as specified in Accounting Standard 20 on "Earnings Per Share" issued by ICAI and related disclosures are as below :

| | 2012-2013 | 2011-2012 |
|---|---|---|
| a) Amount used as numerator in calculating basic and diluted EPS: | | |
| Profit after tax (₹ in lakhs) | **3,314.73** | 6,955.44 |
| b) Weighted average number of equity shares used as the denominator in calculating EPS (Nos. in lakhs). | | |
| Opening Balance | **186.10** | 186.10 |
| | **186.10** | **186.10** |

8) On the basis of physical verification of assets, as specified in Accounting Standard - 28 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2013.

9) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. The subsidiaries (which along with Ashiana Housing Ltd., the parent, constitute the Group) considered in the preparation of these consolidated financial statements are:

| Name | Country of Incorporation/ Formation | Percentage of voting power/ Profit sharing as at 31st March, 2013 | Percentage of voting power/ Profit sharing as at 31st March, 2012 |
|---|---|---|---|
| Ashiana Maintenance Services Limited (Formerly Vatika Marketing Ltd.) | India | 100% | 100% |
| Latest Developers Advisory Ltd | India | 100% | 100% |
| Topwell Projects Consultants Ltd. | India | 100% | 100% |
| Neemrana Builders LLP | India | 98.50% | 98.50% |
| MG Homecraft LLP | India | 98.50% | 98.50% |
| Ashiana Amar Developers | India | 100% * | 100% * |
| Vista Housing | India | 50% ** | N/A |

* 5% Held by Ashiana Maintenance Services Limited (Formerly Vatika Marketing Ltd.), a wholly owned Subsidiary Company.

** Ashiana Housing Limited controls the composition of the Governing Body.

# Notes to the Accounts

| | 2012-2013 ₹ | 2011-2012 ₹ |
|---|---|---|
| 10) Payment to Auditors: | | |
| For Statutory Audit | **1,652,922** | 1,044,948 |
| For Internal Audit | **736,815** | 1,022,935 |
| For Tax Audit | **240,000** | 241,574 |
| For Other Services | **1,180,458** | 641,608 |

11) The following changes in the accounting policies of the parent company have been adopted during the year:

a) The project specific indirect expenses are being included in the cost in valuing Unsold Completed Construction and work in Progress.

b) Selling Expenses related to specific projects are being charged to Profit and Loss account in the year in which sale thereof is offered for taxation.

Due to the aforesaid changes, profit for the year is higher by ₹ 717.97 lakhs.

12) During the year, the company has incurred ₹ 79.00 lakhs ( ₹ 37.92 lakhs) towards Corporate Social Responsibility which has been charged to the respective heads of accounts.

13) a) Previous year figures above are indicated in brackets.

b) Previous year figure have been regrouped/rearranged, wherever found necessary.

c) In view of changes in accounting policies as stated in Note No. 11 above, corresponding previous year figures are not comparable to that extent.

d) This being first year of consolidation of Vista Housing, previous year figures of the said firm are not consolidated hence, figures for the current year are not comparable with previous year figures to such extent.

Signature to Notes "1 to 32"

In terms of our report of even date attached herewith

**For B. CHHAWCHHARIA & CO.**
**Chartered Accountants**
**Firm Registration No: 3055123E**

**Vishal Gupta**
Managing Director

**Ankur Gupta**
Jt. Managing Director

**Varun Gupta**
Wholetime Director

**Abhishek Gupta**
**Partner**
**Membership No: 529082**
**Place: New Delhi**
**Date: 30th May, 2013**

**Bhagwan Kumar**
Company Secretary

**Manojit Sengupta**
General Manager - F&A

# Cash Flow Statement

## For the year ended 31st March 2013

| | 2012-2013 ₹ | 2011-2012 ₹ |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| **Net Profit before tax and extraordinary items** | 420,390,545 | 844,137,448 |
| Adjusted for : | | |
| Depreciation | 26,004,622 | 23,982,313 |
| Depreciation charged to Project Expenses | 581,428 | 673,304 |
| Interest Income (other than from customers) | (45,785,820) | (20,241,551) |
| Income from Investments | (126,955,162) | (43,128,856) |
| Provision for Diminution in value of Investments/ (written back) | (919,008) | 291,049 |
| Interest Paid | 30,301,156 | 28,620,262 |
| Preliminary Expenses written off | 14,176 | 14,176 |
| Investment written off | 31,333 | - |
| Minority Interest | 1,415 | 1,773 |
| (Profit) / Loss on sale of Fixed Assets | 746,616 | 1,761,218 |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | 304,411,301 | 836,111,136 |
| Adjusted for : | | |
| Trade and other receivables | (277,658,029) | (116,317,957) |
| Inventories | (752,735,835) | (488,727,181) |
| Trade Payables and advances from customers | 623,944,461 | 3,148,249 |
| **CASH GENERATED FROM OPERATIONS** | (102,038,102) | 234,214,247 |
| Direct Taxes paid / adjusted | (117,708,017) | (219,866,320) |
| **Net cash from Operating activities (A)** | (219,746,119) | 14,347,927 |
| **CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Purchase of Fixed Assets | (46,332,367) | (49,377,891) |
| Sale of Fixed Assets | 306,306 | 3,014,833 |
| Net change in Investments | 486,284,174 | (126,121,534) |
| Interest Income | 45,785,820 | 20,241,551 |
| Other Income from Investments | 6,347,123 | 5,503,050 |
| **Net Cash from investing activities (B)** | 492,391,056 | (146,739,991) |
| **CASH FLOW FROM FINANCING ACTIVITIES :** | | |
| Proceeds from long term and other borrowings | (40,229,174) | 231,580,704 |
| Interest Paid | (30,301,156) | (28,620,262) |
| Dividend paid | (46,864,056) | (36,435,919) |
| Change in Minority Interest | (14,301,074) | 251,185 |
| **Net Cash used in Financing activities (C)** | (131,695,460) | 166,775,708 |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)** | 140,949,477 | 34,383,644 |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | 435,424,055 | 401,040,411 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | 576,373,532 | 435,424,055 |

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

**For B. CHHAWCHHARIA & CO.**
**Chartered Accountants**
**Firm Registration No: 3055123E**

**Vishal Gupta**
Managing Director

**Ankur Gupta**
Jt. Managing Director

**Varun Gupta**
Wholetime Director

**Abhishek Gupta**
**Partner**
**Membership No: 529082**
**Place: New Delhi**
**Date: 30th May, 2013**

**Bhagwan Kumar**
Company Secretary

**Manojit Sengupta**
General Manager - F&A

# AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ASHIANA HOUSING LIMITED

We have audited the attached consolidated Balance Sheet of Ashiana Housing Limited and its subsidiaries Vatika Marketing Limited, Latest Developers Advisory Limited, Topwell Projects Consultants Limited, Neemrana Builders LLP and MG Homecraft LLP and Ashiana Amar Developers as at March 31, 2012, the consolidated Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, consolidated financial statements, issued by The Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Ashiana Housing Limited and its subsidiaries included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of separate audit reports on individual audited financial statements of Ashiana Housing Limited and its aforesaid subsidiaries, the said financial statements give a true and fair view:

(i) In so far as it relates to the Consolidated Balance Sheet, of the state of affairs of the company as at March 31, 2012

(ii) In so far as it relates to the Consolidated Profit & Loss Account, of the Profit for the year ended on that date; and

(iii) In the case of Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

**For B. CHHAWCHHARIA & CO.**
**Chartered Accountants**

**Aashish Jaiswal**
**Partner**
**Firm Registration No: 305123E**
**Membership Number: 66471**

**Place: New Delhi**
**Date: May 30, 2012**

# BALANCE SHEET

## As at 31st March, 2012

| Particulars | Notes | As at 31.03.2012 ₹ | As at 31.03.2011 ₹ |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 186,099,550 | 186,099,550 |
| Reserves & Surplus | 2 | 2,210,271,375 | 1,563,392,303 |
| | | **2,396,370,925** | **1,749,491,853** |
| Non-current Liabilities | | | |
| Long Term Borrowings | 3 | 105,521,533 | 2,854,104 |
| Deferred Tax Liabilities (Net) | 4 | 31,110,000 | 32,438,000 |
| Other Long Term Liabilities | 5 | 149,745,554 | 129,194,000 |
| Long Term Provisions | 6 | 12,697,050 | 10,069,018 |
| | | **299,074,137** | **174,555,122** |
| Current Liabilities | | | |
| Advance from Customers | 7 | 225,729,710 | 289,471,702 |
| Trade Payables | 8 | 74,103,600 | 32,869,650 |
| Other Current Liabilities | 9 | 281,362,802 | 101,652,937 |
| Short-term Provisions | 10 | 83,282,029 | 142,410,871 |
| | | **664,478,141** | **566,405,160** |
| Minority Interest | | 544,670 | 293,485 |
| | | **3,360,467,873** | **2,490,745,620** |
| **ASSETS** | | | |
| Non-current Assets | | | |
| Fixed Assets: | 11 | | |
| Tangible Assets | | 435,508,806 | 412,138,156 |
| Intangible Assets | | 4,423,545 | 3,187,948 |
| Capital Work in Progress | | - | 4,660,023 |
| Non-Current Investments | 12 | 379,411,438 | 663,615,362 |
| | | **819,343,789** | **1,083,601,489** |
| Current Assets | | | |
| Current Investments | 13 | 532,204,288 | 84,544,073 |
| Inventories | 14 | 1,239,569,498 | 750,842,317 |
| Trade Receivables | 15 | 54,937,340 | 28,934,292 |
| Cash & Cash Equivalents | 16 | 435,424,055 | 401,040,411 |
| Short Term Loans & Advances | 17 | 278,946,375 | 141,726,334 |
| Other Current Assets | 18 | 42,528 | 56,704 |
| | | **2,541,124,084** | **1,407,144,131** |
| | | **3,360,467,873** | **2,490,745,620** |
| SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS | 31 | | |

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**

**Vishal Gupta**
(Managing Director)

**Ankur Gupta**
(Jt. Managing Director)

**Varun Gupta**
(Wholetime Director)

**Aashish Jaiswal**
**Partner**
**Firm Registration No: 305123E**
**Membership No: 66471**
**Place: New Delhi**
**Date: May 30, 2012**

**Bhagwan Kumar**
(Company Secretary)
(ACS 12116)

**Manojit Sengupta**
(General Manager - F&A)

# PROFIT & LOSS ACCOUNT

## For the year ended 31st March, 2012

| Particulars | Notes | 2011-2012 ₹ | 2010-2011 ₹ |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 19 | 2,351,506,200 | 1,372,604,847 |
| Income from Partnership | 20 | 79,090,204 | 129,340,535 |
| Other Income | 21 | 59,171,934 | 40,905,373 |
| **Total (A)** | | **2,489,768,338** | **1,542,850,755** |
| **EXPENSES** | | | |
| Direct Costs: | | | |
| Purchases | 22 | 547,805,386 | 78,152,998 |
| Project Expenses | 23 | 158,786,733 | 201,984,190 |
| Ongoing Project Expenses Adjusted | | 931,144,002 | 495,779,444 |
| Changes in Inventories | 24 | (466,357,849) | (137,924,234) |
| Hotel and Club Expenses | 25 | 59,110,265 | 42,647,632 |
| Project Maintenance Expenses | 26 | 44,485,581 | 28,981,542 |
| | | **1,274,974,118** | **709,621,572** |
| Employee Benefits Expense | 27 | 149,788,432 | 116,971,877 |
| Advertisement & Business Promotion | | 69,170,149 | 57,728,460 |
| Finance Costs | 28 | 28,612,377 | 6,578,034 |
| Other Expenses | 29 | 99,103,501 | 73,509,144 |
| Depreciation & Amortization expenses | | 23,982,313 | 20,193,338 |
| | | **1,645,630,890** | **984,602,425** |
| **Profit Before Tax** | | **844,137,448** | **558,248,330** |
| **Tax Expenses :** | 30 | | |
| (i) Current Tax | | 149,923,000 | 102,180,482 |
| (ii) Deferred Tax | | (1,328,000) | 17,493,000 |
| **Total Tax Expense** | | **148,595,000** | **119,673,482** |
| Less : Minority Interest | | (1,773) | (2,823) |
| **Profit for the Year after tax** | | **695,544,221** | **438,577,671** |
| Earning Per Share (On Shares of nominal value of ₹ 10/- each) Basic and Diluted | | 37.37 | 23.57 |

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**

**Vishal Gupta**
(Managing Director)

**Ankur Gupta**
(Jt. Managing Director)

**Varun Gupta**
(Wholetime Director)

**Aashish Jaiswal**
**Partner**
**Firm Registration No: 305123E**
**Membership No: 66471**
**Place: New Delhi**
**Date: May 30, 2012**

**Bhagwan Kumar**
(Company Secretary)
(ACS 12116)

**Manojit Sengupta**
(General Manager - F&A)

# NOTES TO THE ACCOUNTS

| Particulars | As at 31.03.2012 ₹ | As at 31.03.2011 ₹ |
|---|---|---|
| **1. SHARE CAPITAL** | | |
| **Authorised :** | | |
| 35000000 (P.Y.35000000) Equity shares of ₹ 10/- each | 350,000,000 | 350,000,000 |
| **Issued, Subscribed and Paid up :** | | |
| 18609955 Equity shares of ₹ 10/- each fully paid up | 186,099,550 | 186,099,550 |
| | **186,099,550** | **186,099,550** |
| **2. RESERVES & SURPLUS** | | |
| **Capital Reserve** | **1,518,000** | **1,518,000** |
| **Capital Reserve on Consolidation** | **1,304,220** | **1,304,220** |
| | **2,822,220** | **2,822,220** |
| **Securities Premium Reserve** | | |
| As per Last Account | 14,400,000 | 14,400,000 |
| **General Reserve** | | |
| As per last Account | 1,524,864,206 | 1,068,448,600 |
| Add : On Amalgamation | - | 7,819,065 |
| Add : Transfer during Consolidation | | 37,796,541 |
| Add : Amount transferred from surplus in Profit & Loss Account | 502,125,373 | 410,800,000 |
| **Closing Balance** | **2,026,989,579** | **1,524,864,206** |
| **Surplus/(Deficit) in the statement of Profit and Loss** | | |
| Balance as per last financial statements | 21,305,877 | 31,378,878 |
| Profit for the period | 695,544,221 | 438,577,670 |
| Less: Appropriations | | |
| Proposed equity dividend | (41,872,399) | (32,567,421) |
| Tax on Proposed Equity dividend | (6,792,750) | (5,283,250) |
| Transfer to General Reserve | (502,125,373) | (410,800,000) |
| **Net Surplus in the statement of Profit and Loss** | **166,059,576** | **21,305,877** |
| | **-** | **-** |
| | **2,210,271,375** | **1,563,392,303** |
| **3. LONG -TERM BORROWINGS:** | | |
| SECURED LOANS | | |
| **Term Loan - from others** | | |
| (I) Construction Loan - From HDFC limited | 107,764,151 | - |
| Secured by way of (i) first exclusive mortgage on land admeasuring 86717.5 Sq. Mtr. in Ashiana Aangan Project along with construction thereon, both present and future and (ii) assignment of receivables including booking amount relating to Ashiana Aangan (Phase IV, V & VI) and all insurance proceeds, present & future. | | |
| Terms of Repayment : 10% of all sale receipts of Ashiana Aangan project (Phase IV, V & VI) towards principal repayment to be completed with in 24 months from the date of disbursement. ( 19.05.2011) | | |
| (II) Corporate Loan -From HDFC Limited | 100,000,000 | - |
| Secured by way of (i) first exclusive mortgage on land admeasuring 3774.80 sq. mtr. at Village Centre, Vasundhara Colony, Bhiwadi Dist. Alwar along with construction thereon, both present and future. (ii) Assignment of all receivables accruing from the hotel cum club facility and Retail Commercial Space situated at The Treehouse and Village Centre, Vasundhara Colony, Phase-2, Bhiwadi . | | |
| Terms of Repayment : 120 EMI starting from the date of complete disbursement. | | |

| Particulars | As at 31.03.2012 ₹ | As at 31.03.2011 ₹ |
|---|---|---|
| **Vehicle Loans -** | 10,094,205 | 6,829,206 |
| Secured against hypothecation of vehicles financed by them. | | |
| Terms of Repayment : | | |
| ₹ 7,867,916/- in 36 EMI | | |
| ₹ 2,226,289/- in 48 EMI | | |
| | 217,858,356 | 6,829,206 |
| Less : * Current Maturity (Refer Note No. 9 ) | 112,336,823 | 3,975,102 |
| * Excludes corporate Loan amount being unascertainable | **105,521,533** | **2,854,104** |
| **4. DEFERRED TAX LIABILITIES (NET)** | | |
| Deferred Tax Liability on Fiscal allowance of fixed assets | 35,593,000 | 36,004,000 |
| Less: Deferred Tax Assets on | | |
| Unabsorbed losses and provisions | 364,000 | 257,000 |
| Employee Benefits | 4,119,000 | 3,309,000 |
| | **31,110,000** | **32,438,000** |
| **5. OTHER LONG TERM LIABILITIES** | | |
| Security Deposit from Treehouse Members | 23,562,782 | 24,145,401 |
| Deposit from Customers | 102,944,801 | 81,717,195 |
| Lease Rent Deposit | 23,237,971 | 23,331,404 |
| | **149,745,554** | **129,194,000** |
| **6. LONG TERM PROVISIONS** | | |
| Provision for Gratuity | 12,697,051 | 10,069,018 |
| | **12,697,051** | **10,069,018** |
| **7. ADVANCE FROM CUSTOMERS** | | |
| Customer Advance | 2,443,318,904 | 1,211,195,788 |
| Less: Ongoing Projects Adjustment Account | 2,217,589,194 | 921,724,086 |
| | **225,729,710** | **289,471,702** |
| **8. TRADE PAYABLES** | | |
| Sundry Creditors | 74,103,600 | 32,869,650 |
| | **74,103,600** | **32,869,650** |
| **9. OTHER CURRENT LIABILITIES** | | |
| Current maturities of long-term debt (Refer Note No. 3) | 112,336,823 | 3,975,102 |
| Interest accrued but not due on borrowings | 62,874 | - |
| Unclaimed Dividends | 6,778,430 | 5,363,678 |
| Service Tax received from real estate customers (Subjudice) | 67,686,558 | 20,006,586 |
| Security deposits | 14,796,136 | 9,143,729 |
| Other liabilities | 79,701,981 | 63,163,842 |
| | **281,362,802** | **101,652,937** |
| **10. SHORT-TERM PROVISIONS** | | |
| Provision for Taxation - Net | 34,616,880 | 104,560,200 |
| Proposed Dividend | 41,872,399 | 32,567,421 |
| Corporate Dividend Tax | 6,792,750 | 5,283,250 |
| | **83,282,029** | **142,410,871** |

### 11. FIXED ASSETS

| | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2011 ₹ | Additions/ (Deductions) ₹ | **As at 31.03.2012 ₹** | Up to 01.04.2011 ₹ | For the Period ₹ | **Up to 31.03.2012 ₹** | **As at 31.03.2012 ₹** | As at 31.03.2011 ₹ |
| **TANGIBLE ASSETS** | | | | | | | | |
| Building | 225,942,109 | 4,564,829 | 230,506,938 | 17,123,130 | 6,591,092 | 23,714,222 | 206,792,716 | 208,818,979 |
| Plant & Machinery | 142,496,760 | 17,695,579 | 160,192,339 | 21,280,427 | 7,357,149 | 28,637,576 | 131,554,763 | 119,410,573 |
| Furniture & Fixtures | 35,571,947 | 8,590,488 | 44,162,435 | 9,730,428 | 2,296,579 | 12,027,007 | 32,135,428 | 25,348,852 |
| Electrical Installations | 10,557,512 | 2,745,160 | 13,302,672 | 2,266,956 | 574,885 | 2,841,841 | 10,460,831 | 8,203,939 |
| Equipments And Facilities | 25,245,914 | 3,059,135 | 28,067,767 | 3,253,103 | 1,262,076 | 4,470,417 | 23,597,350 | 21,754,414 |
| | | (237,282) | | - | (44,762) | | | |
| Computers | 17,156,355 | 2,156,439 | 19,312,794 | 7,863,370 | 2,783,972 | 10,647,342 | 8,665,452 | 9,100,938 |
| Vehicles | 26,381,163 | 9,240,471 | 27,692,164 | 6,174,154 | 2,561,683 | 5,389,898 | 22,302,266 | 19,983,619 |
| | | (7,929,470) | | - | (3,345,939) | | | |
| | **483,351,760** | **48,052,101** | **523,237,109** | **67,691,568** | **23,427,436** | **87,728,303** | **435,508,806** | **412,621,314** |
| | | **(8,166,752)** | | | **(3,390,701)** | | | |
| **INTANGIBLE ASSETS** | | | | | | | | |
| Goodwill | 100,000 | - | 100,000 | - | 100,000 | 100,000 | - | 100,000 |
| Goodwill on Amalgamation | 21,124 | - | 21,124 | - | - | - | 21,124 | 21,124 |
| Software | 3,058,237 | 2,946,936 | 6,005,173 | 474,571 | 1,128,181 | 1,602,752 | 4,402,421 | 2,583,666 |
| | **3,179,361** | **2,946,936** | **6,126,297** | **474,571** | **1,228,181** | **1,702,752** | **4,423,545** | **2,704,790** |
| **TOTAL** | **486,531,121** | **50,999,037** | **529,363,406** | **68,166,139** | **24,655,617** | **89,431,055*** | **439,932,351** | **415,326,104** |
| | | **(8,166,752)** | | | **(3,390,701)** | | | |
| **Capital Work In Progress** | **4,660,023** | **3,953,532** | **-** | **-** | **-** | **-** | **-** | **4,660,023** |
| | | **(8,613,555)** | | | | | | |
| **GRAND TOTAL** | **491,191,144** | **54,952,569** | **529,363,406** | **68,166,139** | **24,655,617** | **89,431,055** | **439,932,351** | |
| | | **(16,780,307)** | | | **(3,390,701)** | | | |
| **PREVIOUS YEAR FIGURES** | **474,204,828** | **171,852,441** | **485,600,601** | **52,392,795** | **20,193,338*** | **65,614,474** | **-** | **419,986,127** |
| | | **(160,456,668)** | | | **(6,971,659)** | | | |

* Includes ₹ 673,304 (PY NIL) charged to Project Expenses

| Particulars | **As at 31.03.2012 ₹** | As at 31.03.2011 ₹ |
|---|---|---|
| **12. NON-CURRENT INVESTMENTS** | | |
| **(A) In Immovable Properties:** | | |
| Retail space at Village Centre, Bhiwadi | 88,515,920 | 88,515,920 |
| Building at W-177, Greater Kailash - II, New Delhi | 32,939,879 | 32,939,879 |
| 21 nos single room Flats in Rangoli-II at Bhiwadi | 93,500 | 93,500 |
| Land at RIICO Industrial Area, Bhiwadi, Rajasthan | 1,782,139 | 1,782,139 |
| Building at Ashiana Plaza, Patna | 1,616,571 | 1,616,571 |
| Bageecha office, Bhiwadi | 313,042 | 313,042 |
| Flats at Utsav, Bhiwadi | 7,432,216 | - |
| Shops, Ashiana Trade Centre, Jamshedpur | 313,186 | 313,186 |
| Common Facility Area at Utsav, Bhiwadi | 2,563,744 | 2,563,746 |
| | **135,570,197** | **128,137,983** |
| **In Capital of Partnership Firms:** | | |
| Ashiana Amar Developers | - | 154,302,561 |
| Ashiana Manglam Developers | 147,054,098 | 133,365,061 |
| Ashiana Manglam Builders | 40,000,000 | - |
| Ashiana Greenwood Developers | 16,301,435 | 119,047,570 |
| Megha Colonizers | 39,437,216 | 112,873,483 |
| Ashiana Amar Infrastructure | - | 14,203,468 |
| | **242,792,749** | **533,792,143** |
| **(A)** | **378,362,946** | **661,930,126** |

| Particulars | As at 31.03.2012 ₹ | As at 31.03.2011 ₹ |
|---|---|---|
| **(B) 1. In Fully paid up Equity Shares:** | | |
| Quoted | 822,272 | 1,459,018 |
| Unquoted | 206,218 | 206,218 |
| | **1,028,490** | **1,665,236** |
| **2. In Goverment Securities** | **20,000** | **20,000** |
| **(B)** | **1,048,490** | **1,685,236** |
| **Total (A) + (B)** | **379,411,436** | **663,615,362** |
| **13. CURRENT INVESTMENTS** | | |
| **1. In Fully paid up Equity Shares** | | |
| Quoted | 3,522,843 | 4,330,749 |
| | **3,522,843** | **4,330,749** |
| **1. In Mutual Funds (Unquoted)** | | |
| Debt Funds/ Liquid Funds/ FMPs | 490,795,274 | 74,446,365 |
| Equity Funds | - | 6,597,938 |
| Bonds | 39,008,200 | - |
| | 533,326,317 | 85,375,052 |
| Less: Provision for diminution in value | 1,122,029 | 830,980 |
| | **532,204,288** | **84,544,072** |
| **14. INVENTORIES** | | |
| **Stock** | | |
| Land : | | |
| Project Launched | 93,875,911 | 104,395,830 |
| Others | 605,760,437 | 116,094,678 |
| Unsold completed constructions | 133,545,501 | 172,797,607 |
| Work-in-progress | 344,300,165 | 301,225,368 |
| Construction materials | 60,560,343 | 55,252,390 |
| Hotel & club consumables | 1,107,286 | 969,799 |
| Maintenance Material | 419,855 | 106,645 |
| | **1,239,569,498** | **750,842,317** |
| **15. TRADE RECEIVABLES** | | |
| (Unsecured, Considered Good) | | |
| Due for more than six months | 12,041,415 | 9,505,351 |
| Other Debts | 42,895,925 | 19,428,941 |
| | **54,937,340** | **28,934,292** |
| **16. CASH AND BANK BALANCES** | | |
| Cash-in-hand | 2,111,090 | 1,201,681 |
| Cheques-in-hand | 26,049,907 | 218,804 |
| Balances with Scheduled Banks : | | |
| In Current Account | 124,453,651 | 54,304,273 |
| In Unclaimed Dividend Account | 6,778,430 | 5,363,678 |
| In Fixed Deposit Account * | 276,030,977 | 339,951,975 |
| | **435,424,055** | **401,040,411** |
| * Amount matring after the close of next year | 223,019,283 | 173,955,435 |
| * Pleadge with Bank & Others | 76,825,279 | 19,101,344 |
| **17. SHORT TERM LOANS AND ADVANCES** | | |
| (Unsecured, considered good) | | |
| Advance against land | 99,552,658 | 76,464,678 |
| Advances recoverable in cash or in kind or for value to be received | 103,466,562 | 37,904,930 |
| Service Tax Paid under protest | 67,393,825 | 20,485,626 |
| Deposits | 8,533,330 | 6,871,100 |
| | **278,946,375** | **141,726,334** |

| Particulars | | As at 31.03.2012 ₹ | | As at 31.03.2011 ₹ |
|---|---|---|---|---|
| **18. OTHER CURRENT ASSETS** | | | | |
| Preliminary Expenses | | 42,528 | | 56,704 |
| (To the extent not written off or adjusted) | | **42,528** | | **56,704** |
| **19. REVENUE FROM OPERATION** | | **2011-2012** | | 2010-2011 |
| **Real Estate:** | | | | |
| a) Completed Projects (on Possession) | | 421,650,172 | | 338,310,241 |
| b) Ongoing Projects | | 1,723,122,469 | | 911,282,805 |
| **Hotel & club:** | | | | |
| Rooms, Restaurant, Banquets and other services | | 121,275,512 | | 68,167,636 |
| **PROJECT MAINTENANCE CHARGES:** | | | | |
| General Maintenance Charges | | 66,765,050 | | 44,794,950 |
| Capital Maintenance Charges (Net) | | 8,107,014 | | 2,954,864 |
| Commision from Realty Service | | 10,585,983 | | 7,094,351 |
| | | **2,351,506,200** | | **1,372,604,847** |
| **20. INCOME FROM PARTNERSHIP** | | | | |
| Share of profit from Partnership Firm | | 26,909,904 | | 114,632,035 |
| Project Management Fees | | 52,180,300 | | 14,708,500 |
| | | **79,090,204** | | **129,340,535** |
| **21. OTHER INCOME** | | | | |
| Interest | | 30,103,865 | | 24,360,278 |
| Income from Investments: | | | | |
| Rent | | 4,200,971 | | 2,613,437 |
| Dividend | | 1,010,783 | | 884,103 |
| Profit on sale of investments | | 10,715,902 | | 2,662,253 |
| Fee and Subscription | | 1,372,103 | | 1,104,550 |
| Rent and Hire charges | | 1,240,721 | | 466,272 |
| Profit on sale of Fixed Assets | | - | | 6,197 |
| Documentation Charges | | 21,000 | | 1,767,576 |
| Miscellaneous Income | | 10,220,497 | | 5,153,334 |
| Provision for Diminution in value of investment written back | | - | | 65,635 |
| Item related to Previous Year(Net) | | - | | 1,601,993 |
| Liabilities Written Back | | 286,092 | | 219,745 |
| | | **59,171,934** | | **40,905,373** |
| **22. PURCHASES** | | | | |
| Land | | 522,594,835 | | 46,575,245 |
| Flats/ Bunglows/ Shops | | 25,210,551 | | 31,577,753 |
| | | **547,805,386** | | **78,152,998** |
| **23. PROJECT EXPENSES** | | | | |
| Consumption of construction materials (Indigenous) | | 600,239,908 | | 396,922,959 |
| Wages | | 109,988,463 | | 72,007,615 |
| PRW Charges | | 111,152,763 | | 53,275,543 |
| Power & Fuel | | 10,867,749 | | 7,786,585 |
| Other project related expenses | | 165,864,121 | | 93,582,184 |
| | | 998,113,004 | | 623,574,886 |
| Less: Ongoing Project Adjustment | | 839,326,271 | | 421,590,696 |
| | | **158,786,733** | | **201,984,190** |
| **24. CHANGES IN INVENTORIES** | | | | |
| **Opening Stock :** | | | | |
| Land: | | | | |
| Project Launched* | 79,032,986 | | 87,385,374 | |
| Less: Transfer to investments | (571,278) | 78,461,708 | - | 87,385,374 |
| Others | | 116,094,678 | | 89,132,806 |

| Particulars | | 2011-2012 ₹ | | 2010-2011 ₹ |
|---|---|---|---|---|
| Unsold completed construction* | 190,470,896 | | 93,426,308 | |
| Less: Transfer to investments | (6,860,938) | 183,609,958 | - | 93,426,308 |
| Work-in-progress | | 332,957,820 | | 286,644,761 |
| | | **711,124,164** | | **556,589,249** |
| **Less: Closing Stock:** | | | | |
| **Land:** | | | | |
| Project Launched* | | 93,875,911 | | 104,395,830 |
| Others | | 605,760,437 | | 116,094,678 |
| Unsold completed construction | | 133,545,501 | | 172,797,607 |
| Work-in-progress | | 344,300,165 | | 301,225,368 |
| | | 1,177,482,014 | | 694,513,483 |
| | | **(466,357,849)** | | **(137,924,234)** |

* Net of ongoing project adjustment amounting to ₹ 91,817,731/-P.Y. ₹ 74,188,748/-

## 25. HOTEL & CLUB EXPENSES

| | | |
|---|---|---|
| Consumables (indigenous) | 17,866,140 | 12,748,638 |
| Personnel | 13,810,917 | 9,654,404 |
| Power & fuel | 10,538,463 | 8,589,670 |
| Other running expenses | 16,894,746 | 11,654,922 |
| | **59,110,266** | **42,647,632** |

## 26. PROJECT MAINTENANCE EXPENSES

| | | |
|---|---|---|
| Consumption of Maintenance Materials (Indigenous) | 3,520,443 | 2,078,942 |
| Work Charges | 17,042,717 | 12,344,120 |
| Power & Fuel (net) | 4,945,815 | 1,155,014 |
| Security charges | 12,463,928 | 8,987,216 |
| Other Maintenance Expenses | 6,512,678 | 4,416,250 |
| | **44,485,581** | **28,981,542** |

## 27. EMPLOYEE BENEFIT EXPENSE

| | | |
|---|---|---|
| Salary, Wages, bonus and allowances | 108,679,692 | 86,047,384 |
| Directors' Remuneration | 19,830,186 | 16,052,496 |
| Contribution to Provident & Other Funds | 2,882,618 | 2,173,091 |
| Staff & Labour welfare expenses | 18,395,936 | 12,698,906 |
| | **149,788,432** | **116,971,877** |

## 28. FINANCE COSTS

| | | |
|---|---|---|
| Interest | | |
| - On Term Loan | 23,494,919 | 5,404,163 |
| - Others | 995,030 | 1,173,871 |
| Loan Processing & Other Financial Charges | 4,122,428 | - |
| | **28,612,377** | **6,578,034** |

## 29. OTHER EXPENSES

| | | |
|---|---|---|
| Rent | 12,155,533 | 9,767,696 |
| Rates and Taxes | 1,553,518 | 522,575 |
| Insurance | 492,511 | 552,633 |
| Public Relation and Communication | 2,583,684 | 1,184,590 |
| Establishment Charges | 23,164 | 19,856 |
| Travelling and Conveyance | 13,656,873 | 10,792,506 |
| Legal and Professional expenses | 16,546,811 | 7,660,273 |
| Commission | 889,545 | 650,285 |
| Telephone, Telex & Fax | 5,122,464 | 4,844,010 |
| Printing & Stationery | 4,554,441 | 4,570,301 |
| Repairs and Maintenance : | | |
| To Machineries | 3,341,992 | 1,402,452 |
| To Building | 3,257,026 | 2,652,658 |
| To Others | 13,662,712 | 6,420,010 |
| Directors' Fees | 34,750 | 27,000 |

| Particulars | 2011-2012 ₹ | 2010-2011 ₹ |
|---|---|---|
| Auditors' Remuneration : | | |
| For Statutory Audit | 960,678 | 882,400 |
| For Internal Audit | 932,935 | 785,386 |
| For Tax Audit | 224,720 | 223,100 |
| For Other Services | 589,765 | 315,556 |
| Miscellaneous expenses | 16,014,139 | 16,361,448 |
| Irrecoverable Balances Written off | 420,233 | 879,687 |
| Fixed Assets Written Off | - | 2,113,598 |
| Items relating to previous year (Net) | 33,741 | |
| Loss on Sale of Fixed Assets | 1,761,218 | 50,144 |
| Provision for Diminution in value of current Investment | 291,049 | 830,980 |
| | **99,103,501** | **73,509,144** |
| **30. TAX EXPENSES** | | |
| Income Tax | 149,562,000 | 112,020,000 |
| Deferred Tax | (1,328,000) | 17,493,000 |
| Wealth Tax | 361,000 | 306,000 |
| Income tax Adjustments | - | (10,145,518) |
| | **148,595,000** | **119,673,482** |

## 31. NOTES ON ACCOUNTS

### 1) SIGNIFICANT ACCOUNTING POLICIES

### PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of Ashiana Housing Limited and its subsidiaries. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard AS – 21 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India ('ICAI') and notified pursuant to the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements are prepared on the following basis:

**a)** Consolidated Financial Statements normally include consolidated Balance Sheet, consolidated statement of Profit & Loss Account, consolidated statement of Cash flows and notes to the Consolidated Financial Statements and explanatory statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.

**b)** The Consolidated Financial Statements include the financial statements of the company and all its subsidiaries.

**c)** The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating inter-group balances / transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated.

**d)** Minority interest represents the amount of equity attributable to minority shareholders / partners at the date on which investment in a subsidiary is made and its share of movements in equity since that date.

**e)** Notes to the Consolidated Financial Statements represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

### SYSTEM OF ACCOUNTING :

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

## FIXED ASSETS

1. Fixed assets are valued at cost less depreciation/ amortization
2. Capital Work in progress is valued at cost

## DEPRECIATION AND AMORTIZATION

1.Depreciation on tangible asset is provided on straight line basis in accordance with the provision of Schedule VI of Companies Act, 1956 except that depriciation on the Fixed Assets held by Ashiana Amar Developers, is provided at the rate as specified in Income Tax Rules, 1962.

2. Intangible assets are amortised over the period of useful life of the assets as estimated by the management except that depreciation on intangible assets held by Ashiana Amar Developers, is provided at the rate as specified as Income Tax Rule, 1962.

## INVENTORIES

Inventories are valued as follows:

| | |
|---|---|
| Construction Material and Hotel & Club consumables | At Lower of cost and net realizable value. However, materials and other items are not written down below cost if the constructed units/food & bevreges in which they are used are expected to be sold at or above cost. Cost is determined on FIFO basis. |
| Leasehold and Freehold 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 AND SALES

**a)** Revenue in respect of the projects undertaken before March 31, 2006 and the projects which have not reached the level of completion as considered appropriate by the management within March 31, 2011, as discussed in (b) below, 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 or (iii) on physical possession for fitout, as considered appropriate by the management based on circumstantial status of the project.

**b)** Revenue in respect of projects undertaken on or after April 01, 2006 which have reached the level of construction as considered appropriate by the management within March 31, 2011 is recognised on the "Percentage of Completion Method" (POC) of accounting and represents value of units contracted to be sold to the extent of actual work done against total estimated cost of execution. The corresponding cumulative amount at the close of the year appears under "Current Liabilities" as deduction from "Advance from customers".

The estimates of saleable area and construction cost are reviewed periodically by the management and effect of any change in estimates is recognised in the period such changes are determined.

**c)** Revenue from rooms, food and beverages, club and other allied services, is recognised upon rendering of the services.

**d)** Project maintenance charges and other income is accounted for on accrual basis except where the receipt of income is uncertain.

**e)** 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.

## TAXES ON INCOME

**a)** Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

**b)** Deferred Tax is recognised, subject to consideration of prudence, in respect of deferred tax Assets/Liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax in respect of differential income due to accounting of sales on percentage completion basis, being not determinate, is not recognised.

INVESTMENTS

**a)** 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. Long Term Investments which have attained the stage of permanent diminution in their value are revalued at their current value.

**b)** Value of Intangible capital rights created in favour of the company in the process of Real Estate activities, being not determinate, are not shown in the books of accounts.

FOREIGN CURRENCY TRANSACTIONS

Income and Expenditure in foreign currency is converted into rupee at the rate of exchange prevailing on the date of the transactions.

EMPLOYEE BENEFITS

**a)** Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

**b)** Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

USE OF ESTIMATES

The preparation of financial statements in confirmity with generally accepted accounting principles requires estimates/ exemptions 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.

IMPAIRMENT OF ASSETS :

Impairment Loss in the value of assets, as specified in Accounting Standard -28 is recognised whenever carrying value of such assets exceeds the market value or value in use , whichever is higher.

2) Contingent Liability, not provided for, in respect of :

| **a)** Contested demand of | **2011- 2012** | 2010 - 2011 |
|---|---|---|
| ESIC | NIL | (₹ 4.28 lakhs) |
| Cess - Sonari land | ₹ 37.53 lakhs | (₹ 29.15 lakhs) |
| Service tax | ₹ 17.94 lakhs | (NIL) |

**b)** Contested claim of the Government of Rajasthan for refund of State Capital Subsidy including interest ₹ 54.75 lakhs (₹ 52.50 lakhs). However, the company has deposited ₹ 15.00 lakhs under protest.

3) **a)** In view of non confirmation/response from the suppliers regarding their status as SSI units, the amount due to Small Scale Industrial undertaking can not be ascertained.

**b)** Due to non receipt of confirmation/response from the suppliers for compliance under the Micro, Small and Medium Enterprises Development Act, 2006, the company is unable to provide the information required under the said act.

4)The earning per share has been calculated as specified in Accounting Standard 20 on "Earnings Per Share" issued by ICAI and related disclosures are as below :

| | **2011- 2012** | 2010 - 2011 |
|---|---|---|
| **a)** Amount used as numerator in calculating basic and diluted EPS: | | |
| Profit after tax (₹ in lakhs) | 6,955.44 | 4385.75 |
| **b)** Weighted average number of equity shares used as the denominator in calculating EPS (Nos. in lakhs). | | |
| Opening Balance | 186.10 | 186.10 |
| | **186.10** | **186.10** |

5) On the basis of physical verification of assets, as specified in Accounting Standard - 28 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on March 31, 2012.

6) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. The subsidiaries (which along with Ashiana Housing Ltd., the parent, constitute the Group) considered in the preparation of these consolidated financial statements are:

| Name | Country of Incorporation/ Formation | **Percentage of voting power/ Profit sharing as at 31st March, 2012** | Percentage of voting power/ Profit sharing as at 31st March, 2011 |
|---|---|---|---|
| Vatika Marketing Limited | India | 100% | 100% |
| Latest Developers Advisory Ltd | India | 100% | 100% |
| Topwell Projects Consultants Ltd. | India | 100% | 100% |
| Neemrana Builders LLP | India | 98.50% | 98.50% |
| MG Homecraft LLP | India | 98.50% | 98.50% |
| Ashiana Amar Developers | India | 100%* | N/A |

* 5% Held by Vatika Marketing Limited, a Subsidiary Company

## 7) Financial Information of Subsidiaries:

| Particulars | Vatika Marketing Ltd. ₹ | Topwell Projects Consultants Ltd. ₹ | Latest Developers Advisory Ltd. ₹ | Neemrana Builders LLP ₹ | MG Homecraft LLP ₹ | Ashiana Amar Developers ₹ |
|---|---|---|---|---|---|---|
| Capital(held by Ashiana Housing Ltd & its subsidiaries) | 500,000 | 500,000 | 500,000 | 13,173,247 | 22,593,273 | 74,297,377 |
| Reserves | 6,615,080 | (140,390) | (140,326) | - | - | - |
| Total Assets | 161,935,888 | 381,908,175 | 151,383,146 | 13,392,885 | 22,971,280 | 171,162,698 |
| Total Liabilities | 154,820,808 | 381,548,565 | 151,023,472 | 19,028 | 33,946 | 96,865,321 |
| Investments (except investment in subsidiaries) | 56,533,201 | - | - | - | - | - |
| Turnover/ Total Income | 111,320,229 | 4,604,449 | 4,447,158 | 4,244,919 | - | 238,965,233 |
| Profit/ Loss before taxation | 15,075,067 | (57,729) | (64,130) | (40,878) | (77,333) | 95,665,508 |
| Provision for Taxation | 3,600,000 | - | - | - | - | 1,262,000 |
| Profit after Taxation | 11,663,067 | (57,729) | (64,130) | (40,878) | (77,333) | 94,403,508 |
| Proposed Dividend | 8,500,000 | - | - | - | - | - |

8) **a)** Previous year figures above are indicated in brackets.

**b)** Previous year figure have been regrouped/rearranged, wherever found necessary.

**c)** This being first year of consolidation of Ashiana Amar Developers, previous year figures of the said firm are not consolidated hence, figures for the current year are not comparable with previous year figures to such extent.

Signature to Notes "1 to 31"

**For B. CHHAWCHHARIA & CO.**
**Chartered Accountants**

**Vishal Gupta**
(Managing Director)

**Ankur Gupta**
(Jt. Managing Director)

**Varun Gupta**
(Wholetime Director)

**Aashish Jaiswal**
**Partner**
**Firm Registration No: 305123E**
**Membership No: 66471**
**Place: New Delhi**
**Date: May 30, 2012**

**Bhagwan Kumar**
(Company Secretary)
(ACS 12116)

**Manojit Sengupta**
(General Manager - F&A)

# CASH FLOW STATEMENT

## As at 31st March, 2012

| | 2011-2012 ₹ | 2010-2011 ₹ |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| Net Profit before tax and extraordinary items | 844,137,448 | 558,248,329 |
| Adjusted for : | | |
| Depreciation | 23,982,313 | 20,193,338 |
| Depreciation charged to project expenses | 673,304 | - |
| Interest Income (other than from customers) | (20,241,551) | (14,203,657) |
| Income from Long Terms Investment | (42,837,560) | (120,791,828) |
| Provision for Dimunition in value of Investment | 291,049 | 765,345 |
| Interest Paid | 28,612,377 | 6,578,034 |
| Preliminary Expenses written off | 14,176 | - |
| Fixed assets written off | - | 2,113,598 |
| (Profit) / Loss on sale of Fixed Assets | 1,761,218 | (6,197) |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **836,392,774** | **452,896,962** |
| Adjusted for : | | |
| Trade and other receivables | (163,223,089) | (102,927,447) |
| Inventories | (488,727,181) | (65,369,152) |
| Trade Payables and advances from customers | 50,306,340 | 155,739,124 |
| Miscellaneous expenditure | - | (56,704) |
| CASH GENERATED FROM OPERATIONS | **234,748,844** | **440,282,783** |
| Direct Taxes paid / adjusted | (219,866,320) | (18,461,541) |
| Cash flow before extra ordinary items | 14,882,524 | 421,821,242 |
| **Net cash from Operating activities (A)** | **14,882,524** | **421,821,242** |
| **CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Purchase of Fixed Assets | (49,377,891) | (16,065,943) |
| Sale of Fixed Assets | 3,014,833 | 1,212,507 |
| Net Purchase/ sale of Investments | (126,121,534) | (133,087,374) |
| Interest Income | 20,241,551 | 14,203,657 |
| Other Income from Long Term Investments | 5,211,754 | 3,497,540 |
| **Net Cash from Investing activities (B)** | **(147,031,287)** | **(130,239,613)** |
| **CASH FLOW FROM FINANCING ACTIVITIES :** | | |
| Proceeds from long term and other borrowings | 231,580,704 | (785,595) |
| Interest Paid | (28,612,377) | (6,578,034) |
| Dividend paid | (36,435,919) | (26,530,138) |
| Proceeds from issuance from share capital | | 5,255,000 |
| General Reserve | | 49,069,606 |
| Repayment of Loans | | (71,584,098) |
| **Net Cash used in Financing activities (C)** | **166,532,408** | **(51,153,259)** |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)** | **34,383,645** | **240,428,370** |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | **401,040,411** | **160,612,041** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | **435,424,055** | **401,040,411** |

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

| | | | |
|---|---|---|---|
| **For B. CHHAWCHHARIA & CO.**<br>**Chartered Accountants** | **Vishal Gupta**<br>(Managing Director) | **Ankur Gupta**<br>(Jt. Managing Director) | **Varun Gupta**<br>(Wholetime Director) |
| **Aashish Jaiswal**<br>**Partner**<br>**Firm Registration No: 305123E**<br>**Membership No: 66471**<br>**Place: New Delhi,**<br>**Date: May 30, 2012** | **Bhagwan Kumar**<br>(Company Secretary)<br>(ACS 12116) | | **Manojit Sengupta**<br>(General Manager - F&A) |

## DECLARATION

The Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the SEBI Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

______________________________
**MR. VISHAL GUPTA**

**Date :** February 5, 2015

**Place** : New Delhi

## DECLARATION

We, the Board of Directors of the Company, certify that:

1. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

2. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;

3. the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

Mr. Vishal Gupta
*Managing Director*

I am authorized by the Board of Directors of the Company, vide resolution dated November 11, 2014, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

Date: February 5, 2015

Place: New Delhi

**ASHIANA HOUSING LIMITED**

**Registered Office**
5F, Everest, 46/C, Chowringhee Road
Kolkata – 700 071, West Bengal
India

**Corporate Office**
304, Southern Park, Saket District Centre
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India
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Fax: +91-11- 4265 4200
Website: www.ashianahousing.com; CIN: L70109WB1986PLC040864

**Compliance Officer**
Mr. Nitin Sharma, Company Secretary
304, Southern Park, Saket District Centre
Saket, New Delhi- 110 017
India
Phone: +91 - 11 - 4265 4265; Fax: +91 - 11- 4265 4200;
nitin.sharma@ashianahousing.com

**BOOK RUNNING LEAD MANAGER**

**Religare Capital Markets Limited**

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Senapati Bapat Marg, Elphinston Road, Mumbai – 400 013

**AUDITORS TO THE COMPANY**

**M/s. B. Chhawchharia & Co., Chartered Accountants**
DLF Tower B, Jasola District Centre, Jasola
New Delhi – 110 025
India

**LEGAL ADVISORS TO THE ISSUE**

*As to matters of Indian Law*
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*As to selling restrictions under International Law*
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