

GOEL GARG & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEORIA PROPERTIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **DEORIA PROPERTIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the



auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in



our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Goel Garg & Co.
Chartered Accountants
Firm's Registration No.: 000397N



()
Partner (S. C. Garg)
Membership No. 13370

Place of Signature: Gurgaon
Date: 21st May, 2015

Annexure to the Independent Auditors' Report to the members of Deoria Properties Limited on the financial statements for the year ended 31st March 2015 referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report

- (i) The provisions relating to fixed assets are not applicable to the company.
- (ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of Inventory. No discrepancy has been noticed on verification between the physical stocks and the book records.
- (iii) As per information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company. The provisions relating to the purchase of Fixed Assets are not applicable to the Company.
- (v) The company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) As per the information and explanations given to us, the Central Government has not prescribed the maintenance of cost record for any of the Company's products under Section 148(1) of the Companies Act.
- (vii)
 - a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax and other material statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax and cess are not applicable to the company.



No undisputed amounts were outstanding in respect of statutory dues as at March 31st, 2015 for period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, there are no dues pending on account of any dispute.
 - c) According to the information and explanations given to us, there is no amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under and has not been transferred to such fund within time.
- (viii) The Company has no accumulated losses as at the end of the financial year. *It has incurred any cash loss of Rs. 54,511 during the financial year covered by our audit and there were cash loss of Rs. 91,897 in the immediately preceding financial year.*
- (ix) According to the information and explanations given to us, the company has not raised any loan from Financial Institutions, banks or debenture holders.
- (x) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the company has not raised any term loan.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Goel Garg & Co.
Chartered Accountants
Firm's Registration No.



Partner (S. C. Garg)
Membership No. 13370
Place of Signature: Gurgaon
Date: 21st May, 2015

DEORIA PROPERTIES LIMITED**Balance sheet as at 31st March, 2015**

	Notes	31-03-2015 ₹	31-03-2014 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	512,000	512,000
Reserves and surplus	3	9,341,931	9,401,782
		9,853,931	9,913,782
Current liabilities			
Short-term borrowings	4	89,731,257	89,731,257
Other current liabilities	5	72,135	38,271
		89,803,392	89,769,528
Total		99,657,323	99,683,310
ASSETS			
Current assets			
Inventories	6	99,184,141	99,184,141
Cash and bank balances	7	20,935	43,829
Short-term loans and advances	8	450,000	455,340
Other current assets	9	2,247	-
		99,657,323	99,683,310
Total		99,657,323	99,683,310

Significant accounting policies 1

The accompanying notes are integral part of the financial statements

As per our report of even date

For **GOEL GARG & CO.**

Chartered Accountants

FRN : 000397N



Partner (S. C. Garg)

Membership No: 13370

Place : Gurgaon

Date : May 21, 2015

For and on behalf of the Board of Directors

SHAILENDER KUMAR MAHAJAN

Director

DIN: 0058123

SANDIP ROY

Director

DIN: 02527815

DEORIA PROPERTIES LIMITED**Statement of profit and loss for the year ended 31st March, 2015**

	Notes	31-03-2015 ₹	31-03-2014 ₹
INCOME			
Total income		-	-
EXPENSES			
Change in inventories	10	-	-
Other expenses	11	54,511	91,897
Total expenses		54,511	91,897
Profit / (Loss) before tax		(54,511)	(91,897)
Tax expense			
Farlier year tax/excess provision for tax written back	12	5,340	-
Total tax expenses		-	-
Profit / (Loss) for the year		(59,851)	(91,897)
Earnings per equity share of face value of ₹ 10 each			
Basic	19	(1.17)	(1.79)
Diluted	19	(1.17)	(1.79)

Significant accounting policies 1

The accompanying notes are integral part of the financial statements

As per our report of even date

For **GOEL GARG & CO.**

Chartered Accountants

FRN : 000397N



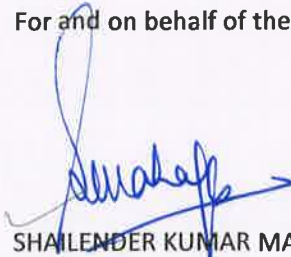
Partner (S. C. Garg)

Membership No: 13370

Place : Gurgaon

Date : May 21, 2015

For and on behalf of the Board of Directors


 SHAILENDER KUMAR MAHAJAN

Director

DIN: 0058123


 SANDIP ROY

Director

DIN: 02527815

DEORIA PROPERTIES LIMITED

Cash flow statement for the year ended 31st March, 2015

	31-03-2015 ₹	31-03-2014 ₹
Cash flow from operating activities		
Profit/(Loss) before tax	(54,511)	(91,897)
Adjustment for:		
Trade and other receivables	(2,247)	-
Trade and other payable	33,864	14,958
Short term advances	-	(450,000)
Cash flow before extraordinary items	(22,894)	(526,939)
Taxes paid	-	-
Net cash flow from operating activities (A)	(22,894)	(526,939)
Cash flow from investing activities	-	-
Net Cash flow from investing activities (B)	-	-
Cash flow from financing activities		
Proceeds from short term borrowings	-	-
Net cash flow from financing activities (C)	-	-
Net increase in cash & cash equivalents (A+B+C)	(22,894)	(526,939)
Cash & cash equivalent at the beginning of the year	43,829	570,768
Cash & cash equivalent at the end of the year	20,935	43,829
Components of cash and cash equivalent		
Cash on hand	4,259	10,555
Balances with banks	16,676	33,274
Total cash and cash equivalents	20,935	43,829

Significant accounting policies

Note 1

The accompanying notes are integral part of the financial statements

As per our report of even date

For GOEL GARG & CO.

Chartered Accountants

FRN : 000397N



Partner (S. C. Garg)

Membership No: 13370

Place : Gurgaon

Date : May 21, 2015

For and on behalf of the Board of Directors

SHAILENDER KUMAR MAHAJAN

Director

DIN: 0058123

SANDIP ROY

Director

DIN: 02527815

DEORIA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

i SIGNIFICANT ACCOUNTING POLICIES

a) NATURE OF OPERATIONS

Deoria Properties Limited (The Company) was incorporated in 2005. The company's main business is development of Real Estate Projects.

b) BASIS OF PREPARATION

The financial statements have been prepared under historical cost convention on an accrual basis in accordance with the requirements of schedule III and accounting standards prescribed in section 133 of the Companies Act, 2013 (The Act) read with the Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the provisions of "The Act" to the extent notified.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

c) TAXES ON INCOME

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws that are enacted or substantially enacted.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

d) INVENTORIES

The cost of inventories should comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at cost or net realizable value, whichever is lower on the basis of first in first out method.



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DEORIA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

e) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when:

- a) the company has a present obligation as a result of a past event;
- b) a probable outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- b) a possible obligation, that arises out of past events and the existence of which will be confirmed only by one or more uncertain future events unless the probability of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

f) CASH & CASH EQUIVALENT

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Cash flow statement is prepared using the indirect method.

g) EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue, a share split and share warrants conversion.

Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted number of shares outstanding during the period for the effect of all dilutive potential equity shares.



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DEORIA PROPERTIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	31-03-2015		31-03-2014	
	₹		₹	
2. Share capital				
Authorised				
60,000 (60,000) Equity shares of ₹ 10/-each	600,000		600,000	
	600,000		600,000	
Issued, subscribed and fully paid up				
51,200 (51,200) Equity Shares of ₹ 10/-each with voting right	512,000		512,000	
Total	512,000		512,000	
Reconciliation of number of shares and amounts				
At the beginning of the year	51,200	512,000	51,200	512,000
Outstanding at the end of the year	51,200	512,000	51,200	512,000
The total issued share capital comprises equity shares only, having face value of ₹ 10 each per share, ranked pari passu in all respect including voting rights and entitlement to dividend				
Shares (in aggregate) of each class held by:-				
Unitech Holdings Limited	51,200		51,200	
Name of the shareholder holding more than 5% shares	31-03-2015		31-03-2014	
	Number of shares	% held	Number of shares	% held
Unitech Holdings Limited	51,200	100	51,200	100
3. Reserve and surplus				
Securities premium				
As per last financial statements	9,900,000		9,900,000	
Add / (Less) during the year	-		-	
Closing Balance	9,900,000		9,900,000	
Surplus in the statement of profit and loss				
As per last financial statements	(498,218)		(406,321)	
Add : Profit / (Loss) for the year	(59,851)		(91,897)	
	(558,069)		(498,218)	
Total	9,341,931		9,401,782	
4. Short-term borrowings				
Unsecured				
Loans and advance from related parties				
Unitech limited - ultimate holdings company	89,731,257		89,731,257	
Total	89,731,257		89,731,257	
5. Other current liabilities				
Expenses payable	72,135		38,271	
Total	72,135		38,271	
6. Inventories				
Land	99,184,141		99,184,141	
Total	99,184,141		99,184,141	
7. Cash and Bank balances				
Balances with banks				
In current account	16,676		33,274	
Cash and cash equivalents				
Cash on hand	4,259		10,555	
Total	20,935		43,829	



DEORIA PROPERTIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

8. Short-term loans and advances	31-03-2015	31-03-2014
	₹	₹
Unsecured considered good unless stated otherwise		
Loans and advances to related party to Unitech limited	450,000	450,000
	450000	450,000
Loans and advances to others		
Advance - other taxes	-	5,340
	-	5,340
Total	450,000	455,340

9. Other current assets	31-03-2015	31-03-2014
	₹	₹
Prepaid expenses	2,247	-
Total	2,247	-

10. Changes in inventories	31-03-2015	31-03-2014
	₹	₹
Land		
Opening Stock	99,184,141	99,396,986
Less: land sold	-	(212,845)
Less: Closing Stock	(99,184,141)	99,184,141
	-	-

11. Other Expenses	31-03-2015	31-03-2014
	₹	₹
Legal and professional charges	31,797	67,973
Auditors remuneration - audit fee	11,236	11,236
Registration and filing fee	11,146	7,399
Bank charges	-	366
Printing & stationery	150	160
Miscellaneous expenses	182	4,763
Total	54,511	91,897

12. Earlier year tax/excess provision for tax written back	31-03-2015	31-03-2014
	₹	₹
Earlier year tax/excess provision for tax written back	5,340	-
Total	5,340	-



DEORIA PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****13. SEGMENT REPORTING: Segment wise revenue, results & other information**

The company is primarily in the business of real estate development. Further majority of the business conducted is within the geographical boundaries of India.

In view of the above, in the opinion of the management and based on the organizational and internal reporting structure, the company's business activities as described above are subject to similar risks and returns. Further, since the business activities undertaken by the company are within India, in the opinion of the management, the environment in India is considered to have similar risks and returns. Consequently, the company's business activities primarily represent a single business segment. Similarly this company's operations in India represent a single geographical segment."

14. In pursuance of real estate activities undertaken by the Unitech group of companies, this company has purchased land for which money have been advanced by the ultimate holding company. The land is being developed by said ultimate holding company as per the memorandum of understanding entered in to by the parities. The company has mortgaged certain portion of land titles to secure facilities availed by ultimate holding company Unitech Limited and its certain subsidiaries.

15. In the opinion of management there is no item which is required to be considered for ascertaining the amount of deferred tax assets/ liability, therefore the same is taken as nil.

16. As per information available with the company, the trade payable does not include any amount due to Micro, Small and Medium Enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March, 2015.

17. Contingent Liability - Nil (Previous year – Nil).

18. RELATED PARTY DISCLOSURES

In accordance with the accounting standard on 'Related Party Disclosures' AS-18, the disclosure in respect of related parties and the transactions with them as identified and certified by the management are as follows:

(A) Nature of related parties and description of relationship:

Holding company	Unitech Holdings Limited
Ultimate holding company	Unitech Limited

(B) Disclosure of transactions of the subsidiaries with related parties:

(Amount in ₹)

S.No.	Description	Subsidiaries/ Holding	Total
1	Short term loans & advances	Unitech limited	- (450,000)
2	Short term borrowings received	Unitech limited	- (287,155)
3	Short term borrowing paid	Unitech limited	- (500,000)

*Previous year figures have been given in parentheses ()



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DEORIA PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****(C) Balance outstanding as at 31.03.2015:**

(Amount in ₹)

S.No.	Name of the Company	Nature of Transaction	Maximum balance during the year	Amount Outstanding as on 31.03.2015	Dr/Cr:
1.	Unitech Limited	Short term borrowings	8,97,31,257/- (8,99,44,102/-)	8,97,31,257/- (8,97,31,257/-)	Cr.
2	Unitech Limited	Short term loans & advances	450,000/- (450,000/-)	450,000/- (450,000/-)	Dr.

*Previous year figures have been given in parentheses ()

19. EARNING PER SHARE

(Amount in ₹)

	Particulars	As at 31.03.2015	As at 31.03.2014
a)	Weighted average number of Equity shares at the beginning and end of the period	51,200	51,200
b)	Net Profit/(Loss) after tax (₹)	(59,851)	(91,897)
c)	Basic Earning per Share (₹)	(1.17)	(1.79)
d)	Nominal Value of a Equity Share (₹)	10	10

(Amount in ₹)

	Particulars	As at 31.03.2015	As at 31.03.2014
a)	Weighted average number of Equity shares at the beginning and end of the period	51,200	51,200
b)	Net Profit/(Loss) after tax (₹)	(59,851)	(91,897)
c)	Diluted Earning per Share (₹)	(1.17)	(1.79)
d)	Nominal Value of a Equity Share (₹)	10	10

20. Additional information

(Amount in ₹)

Particulars	31.03.2015	31.03.2014
(a) Value of Imports on CIF Basis	NIL	NIL
(b) Expenditure in foreign currency - Consultancy fees - Travelling & Boarding	NIL	NIL
(c) Consumption of imported raw material, components and spare parts	NIL	NIL
(d) Earnings in foreign currency	NIL	NIL
(e) Amount remitted in foreign currency towards dividend.	NIL	NIL

21. The inventory of Land/Land rights shown in the financial statements comprises of cost and revaluation reserve, and therefore to show the inventory at cost or market value whichever is lower, revaluation reserve reversed during the year.

22. Unsecured loans taken from Unitech Limited of ₹ 89,731,257/- (previous year ₹ 89,731,257/-) is repayable on demand and carrying interest rate nil.



DEORIA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

23. In the opinion of the Board of Directors and to the best of their knowledge and belief, the aggregate value of current assets and loan and advances on realization in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

24. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.

As per our report of even date

For Goel Garg & Co.
Chartered Accountants
FRN : 000397N



Partner(S. C. Garg)
Membership No. 13370
Place : Gurgaon
Date : May 21, 2015

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Shaliender Kumar Mahajan".

Shaliender Kumar Mahajan
Director
DIN: 00058123

A handwritten signature in blue ink, appearing to read "Sandip Roy".

Sandip Roy
Director
DIN: 02527815