

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ELBRUS PROPERTIES PRIVATE LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **ELBRUS PROPERTIES PRIVATE 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 : **(Ashok Agarwal)**
Membership No. **64600**
Place of Signature: Gurgaon
Date: 16.05.2015

Annexure to the Independent Auditors' Report to the members of ELBRUS PROPERTIES PRIVATE 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 provided 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



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 cash loss of Rs. 23,462 during the financial year covered by our audit. The company incurred cash losses of Rs. 12,836 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. : 000397N



Partner : (Ashok Agarwal)
Membership No. 84600
Place of Signature: Gurgaon
Date: 16.05.2015

Elbrus Properties Private Limited
Balance Sheet as at 31st March, 2015

(Amount in ₹)

	Note No.	31.03.2015	31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	500,000	500,000
Reserves and surplus	3	57,859	81,321
		557,859	581,321
Current liabilities			
Short-term borrowings	4	111,664,344	111,664,344
Other current liabilities	5	11,236	11,236
		111,675,580	111,675,580
Total		112,233,439	112,256,901
ASSETS			
Current assets			
Inventories	6	112,141,953	112,141,953
Cash and bank balances	7	91,486	109,621
Short-term loans and advances	8	-	5,327
Total		112,233,439	112,256,901

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 (Ashok Agarwal)

Membership No: 84600



For and on behalf of the Board of Directors



Director

Sanjay Kaul

DIN - 01099936



Director

Sanjay Tyagi

DIN - 01868808

Place: Gurgaon

Dated: 16.05.2015



Elbrus Properties Private Limited
Statement of Profit & Loss for the year ended 31st March, 2015

(Amount in ₹)

	Note No.	31.03.2015	31.03.2014
INCOME			
Revenue from operations		-	-
Total income		-	-
EXPENSES			
Change in inventory of land	9	-	-
Other expenses	10	23,462	12,836
Total expenses		23,462	12,836
Profit (loss) before tax		(23,462)	(12,836)
Tax expense		-	-
Current tax		-	-
Profit (loss) for the year		(23,462)	(12,836)
Earnings per equity share of face value of ₹ 10 each			
Basic	18	(0.47)	(0.26)
Diluted	18	(0.47)	(0.26)

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



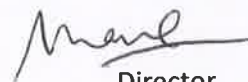

Partner (Ashok Agarwal)

Membership No: 84600

Place: Gurgaon

Dated: 16.05.2015

For and on behalf of the Board of Directors



Director

Sanjay Kaul

DIN - 01099936



Director

Sanjay Tyagi

DIN - 01868808



Elbrus Properties Private Limited
Cash flow statement for the year ended 31st March, 2015

(Amount in ₹)

	31.03.2015	31.03.2014
Cash flow from operating activities		
Profit/(loss) before tax	(23,462)	(12,836)
Adjustment for:		
(Increase)/decrease in current asset	5,327	-
Increase/(decrease) in current liabilities	-	-
Cash generated from operations	(18,135)	(12,836)
Tax paid	-	-
Net cash from operating activities (A)	(18,135)	(12,836)
Cash flow from investing activities		
Net cash flow from investing activities (B)	-	-
Cash flow from financing activities		
(Repayment)/proceeds from short-term borrowings	-	(300,000)
Net cash flow from financing activities (C)	-	(300,000)
Net change in cash & cash equivalents (A+B+C)	(18,135)	(312,836)
Cash & cash equivalent at the beginning of the year	109,621	422,457
Cash & cash equivalent at the end of the year	91,486	109,621
Components of cash and cash equivalents		
Balances with banks	85,585	99,630
Cash on hand	5,901	9,991
Total cash and cash equivalents	91,486	109,621

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 (Ashok Agarwal)
Membership No: 84600

For and on behalf of the Board of Directors

Director
Sanjay Kaul
DIN - 01099936

Director
Sanjay Tyagi
DIN - 01868808

Place: Gurgaon
Dated: 16.05.2015

ELBRUS PROPERTIES PRIVATE LIMITED

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

1. SIGNIFICANT ACCOUNTING POLICIES

I. NATURE OF OPERATIONS

Elbrus Properties Private Limited (The Company) was incorporated in 2006. The company's main line of business is real estate development and related activities.

II. 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.

III. 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.

IV. 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.



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ELBRUS PROPERTIES PRIVATE LIMITED

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

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.

V. CASH & CASH EQUIVALENTS

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.

VI. INVENTORY

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.

Finished stock of completed real estate projects, land and land development rights are valued at lower of cost or net realizable value on the basis of actual identified units.

VII. PROJECT IN PROGRESS

Project in progress disclosed as at reporting date in respect of real estate development and related activities includes aggregate amount of costs and recognized profit (less recognized losses) up to the reporting date.

Costs generally include cost of land, land development rights and other costs that are attributable to project.

VIII. 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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Elbrus Properties Private Limited
Notes to the financial statements for the year ended 31st March, 2015

(Amount in ₹)

	31.03.2015	31.03.2014
2 Share capital		
Authorised		
50,000 (50,000) equity shares of ₹ 10/- each	500,000	500,000
Issued, subscribed and fully paid up with voting rights		
50,000 (50,000) equity shares of ₹ 10/- each	500,000	500,000
Total	500,000	500,000

	31.03.2015		31.03.2014	
	Number	Amount ₹	Number	Amount ₹
Reconciliation of the shares outstanding at the beginning and end of the reporting year				
At the beginning of the year	50,000	500,000	50,000	500,000
Addition during the period	-	-	-	-
Outstanding at the end of the year	50,000	500,000	50,000	500,000

	31.03.2015		31.03.2014	
	No of Shares	No of Shares	No of Shares	No of Shares
Shares (in aggregate) of each class held by:-				
Unitech Limited - Holding company	50,000	50,000	50,000	50,000
	50,000	50,000	50,000	50,000

	31.03.2015		31.03.2014	
	Number of shares	% of shares	Number of shares	% of shares
Name of the shareholder holding more than 5% Equity Shares				
Unitech Limited	50,000	100	50,000	100
	50,000	100	50,000	100

3 Reserve and surplus		
Surplus in the statement of profit & loss		
As per last financial statements	81,321	94,157
loss for the year	(23,462)	(12,836)
Total	57,859	81,321

4 Short-term borrowings		
Loans and advances from related parties-Unsecured		
Unitech Limited - Holding company	111,664,344	111,664,344
Total	111,664,344	111,664,344

5 Other current liabilities		
Expenses payable	11,236	11,236
Total	11,236	11,236



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Elbrus Properties Private Limited

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

(Amount in ₹)

	31.03.2015	31.03.2014
6 Inventories (as taken, valued and certified by the management)		
Land	112,141,953	112,141,953
Total	112,141,953	112,141,953
7 Cash and Bank balances		
Cash and cash equivalents		
Balances with banks	85,585	99,630
Cash on hand	5,901	9,991
Total	91,486	109,621
8 Short-term loans and advances		
Other loans and advances-(Unsecured considered good)		
Advance income tax (net of provision)	-	5,327
Total	-	5,327



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Elbrus Properties Private Limited**Notes to the financial statements for the year ended 31st March, 2015**

	(Amount in ₹)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
9 Change in inventory of land		
Opening stock of land	112,141,953	112,141,953
Closing stock of land	(112,141,953)	(112,141,953)
Total	<u>-</u>	<u>-</u>
10 Other Expenses		
Printing stationery	-	475
Legal & professional charges	2,809	-
Bad debts/assets written off	5,327	-
Auditors remuneration - audit fee	11,236	11,236
Registration & filing fees	4,090	900
Bank charges	-	225
Total	<u>23,462</u>	<u>12,836</u>



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ELBRUS PROPERTIES PRIVATE LIMITED

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

11. 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 & 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.
12. 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.

13. In pursuance of real estate activities undertaken by the holding company, this company has purchased land for which money have been advanced by the holding company. The land is being developed by said holding company as per memorandum of understanding entered in to by the parties. Further land rights of certain such acquired land have been vested with holding company which is already seized of beneficial interest in the land though the title of the land stands in the name of the company.
14. 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 at nil.
15. As per information available with the company, the trade payables do not include any amount due to Micro, Small and Medium Enterprises registered under "The Micro, Small and Medium Enterprises Development Act 2006" as at 31.03.2015.
16. There is no contingent liability (previous year nil) as on 31st March, 2015.

17. RELATED PARTY TRANSACTIONS

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 Limited

(B) Summary of significant related parties transactions carried out in ordinary course of business are as under:

(Amount in ₹)		
Sl.No	Description	Holding company
1	Advances paid	(300,000)

Previous year figures have been given in (parentheses)



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ELBRUS PROPERTIES PRIVATE LIMITED

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

(C) Balances as at 31.03.2015:

(Amount in ₹)

S.No	Name of the company	Description	Maximum balance during the year ended 31.03.2015	Amount outstanding as on 31.03.2015	Dr/Cr
1.	Unitech Limited	Short-term borrowings	111,664,344 (111,964,344)	111,664,344 (111,664,344)	Cr. (Cr.)

Unsecured loans and advances taken from Unitech Limited of ₹ 111,664,344/- (previous year ₹ 111,664,344/-) is repayable on demand and carrying interest rate nil.

18. EARNING PER SHARE :

S.No.	Particulars	As at 31.03.2015	As at 31.03.2014
(i)	Weighted average number of equity shares at the beginning and end of the period	50,000	50,000
(ii)	Net profit/(loss) after tax (₹)	(23,462)	(12,836)
(iii)	Earning per share (basic) (₹)	(0.47)	(0.26)
(iv)	Nominal value of each equity share (₹)	10	10

S.No.	Particulars	As at 31.03.2015	As at 31.03.2014
(i)	Weighted average number of equity shares at the beginning and end of the period	50,000	50,000
(ii)	Net profit/(loss) after tax (₹)	(23,462)	(12,836)
(iii)	Earning per share (diluted) (₹)	(0.47)	(0.26)
(iv)	Nominal value of each equity share (₹)	10	10

19. ADDITIONAL INFORMATION :

(Amount in ₹)

Particulars	Current year	Previous year
(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

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

As per our report of even date attached

For Goel Garg & Co.

Chartered Accountants

FRN : 000397N

Partner (Ashok Agarwal)

Membership No.: 84600

Place : Gurgaon

Dated: 16.05.2015



For and on behalf of the Board of Directors

Director
Sanjay Kaul
DIN - 01099936

Director
Sanjay Tyagi
DIN - 01868808