

K M G S & ASSOCIATES
Chartered Accountants

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIGH STRENGTH PROJECTS PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HIGH STRENGTH PROJECTS 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



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K M G S & Associates
Chartered Accountants
Firm's Registration No. 004730N

Neetu Singla



Partner **NEETU SINGLA**
Membership No. 501075

Place of Signature: Gurgaon
Date: 8th May, 2015

Annexure to the Independent Auditors' Report to the members of High Strength Projects 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

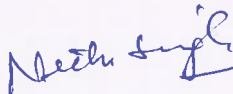
- (i) The provisions relating to fixed assets are not applicable to the company.
- (ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed 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 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 accumulated losses of Rs.3,028 which are less than fifty percent of its net worth as at the end of the financial year. It has incurred cash loss of Rs. 24,665 during the financial year covered by our audit. The company had cash losses of Rs. 22,115 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 K M G S & Associates
Chartered Accountants
Firm's Registration No.004730N





Partner **NEETU SINGLA**
Membership No. 501075

Place of Signature: Gurgaon
Date: 8th May, 2015

HIGH STRENGTH PROJECTS PRIVATE LIMITED

Balance Sheet as at 31st March, 2015

	Notes	31-03-2015 ₹	31-03-2014 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	500,000	500,000
Reserves and surplus	3	(3,028)	21,837
		496,972	521,837
Current liabilities			
Short-term borrowings	4	15,473,572	15,473,572
Other current liabilities	5	14,045	15,799
		15,487,617	15,489,371
Total		15,984,589	16,011,208
ASSETS			
Current assets			
Inventories	6	9,925,472	9,925,472
Trade receivables	7	5,928,100	5,928,100
Cash and bank balances	8	31,017	57,436
Short-term loans and advances	9	100,000	100,200
		15,984,589	16,011,208
Total		15,984,589	16,011,208

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For K M G S & ASSOCIATES

Chartered Accountants

FRN: 004730N

Neetu Singla


Partner NEETU SINGLA
 Membership No: 501075

For and on behalf of the Board of Directors

Raman Sharma

RAMAN SHARMA
Director
 DIN: 01565750

Baldev Gupta

BALDEV GUPTA
Director
 DIN: 02123200

Place: Gurgaon

Dated: May 08, 2015

HIGH STRENGTH PROJECTS PRIVATE LIMITED
Statement of profit and loss for the year ended 31-03-2015

	Notes	31-03-2015 ₹	31-03-2014 ₹
INCOME			
Other income		-	-
Total income		-	-
EXPENSES			
Change in inventories	10	-	-
Other expenses	11	24,665	22,115
Total expenses		24,665	22,115
Profit / (Loss) before tax		(24,665)	(22,115)
Earlier year tax/excess provision for tax written back	12	200	-
Profit / (Loss) for the year		(24,865)	(22,115)
Earnings per equity share of face value of ₹ 10 each			
Basic	18	(0.50)	(0.44)
Diluted	18	(0.50)	(0.44)

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For K M G S & ASSOCIATES

Chartered Accountants

FRN: 004730N

Neetu Singla


Partner

Membership No:

NEETU SINGLA
501075

For and on behalf of the Board of Directors

Raman Sharma


RAMAN SHARMA
Director
DIN: 01565750

Baldev Gupta


BALDEV GUPTA
Director
DIN: 02123200

Place: Gurgaon

Dated: May 08, 2015

HIGH STRENGTH PROJECTS PRIVATE 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	(24,665)	(22,115)
Adjusted for :		
current liabilities	(1,754)	4,563
other current assets	-	(5,928,100)
Short term loans and advances	-	(100,000)
Cash generated from operations	(26,419)	(6,045,652)
Net cash from operating activities (A)	(26,419)	(6,045,652)
Cash flow from investing activities		
Net cash from investing activities (B)	-	-
Cash flow from financing activities		
(Repayment) proceed of Unsecured Loan	-	5,928,100
Net cash flow from financing activities (C)	-	5,928,100
Net Increase in Cash & Cash Equivalents (A+B+C)	(26,419)	(117,552)
Cash and cash equivalent at the beginning of the year	57,436	174,988
Cash and cash equivalent at the end of the year	31,017	57,436
Components of cash and cash equivalents		
Balances with banks	23,061	52,118
Cash on hand	7,956	5,318
Total cash and cash equivalents	31,017	57,436

Significant accounting policies

Note 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For K M G S & ASSOCIATES

Chartered Accountants

FRN: 004730N

Partner **NEETU SINGLA**

Membership No.: 501075

Place: Gurgaon

Dated: May 08, 2015

For and on behalf of the Board of Directors

RAMAN SHARMA

Director

DIN: 01565750

BALDEV GUPTA

Director

DIN: 02123200

HIGH STRENGTH PROJECTS PRIVATE LIMITED

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

1. SIGNIFICANT ACCOUNTING POLICIES

a) NATURE OF OPERATION

High Strength Projects Private Limited (The Company) was incorporate in 2007. 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) 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.

e) 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.

f) 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.

g) INVENTORIES

- a) 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.
- b) 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.

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HIGH STRENGTH PROJECTS PRIVATE LIMITED

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

	31-03-2015	31-03-2014
	₹	₹
2 Share capital		
Authorised		
50,000 (50,000) Equity shares of ₹ 10 each	500,000	500,000
	500,000	500,000
Issued, subscribed and paid up		
50,000 (50,000) Equity Shares of ₹ 10 each	500,000	500,000
TOTAL	500,000	500,000
	As at 31-3-2015	As at 31-3-2014
	Number	₹
Reconciliation of no. of shares and amounts		
At the beginning of the period	50,000	500,000
Outstanding at the end of the period	50,000	500,000
	Number	% held
Name of the shareholder holding more than 5% shares		
Unitech limited	50,000	500,000
	50,000	500,000
	31-03-2015	31-03-2014
	₹	₹
3 Reserve and surplus		
Surplus in the statement of profit and loss		
As per last financial statement	21,837	43,952
Add: Profit / (Loss) for the year	(24,865)	(22,115)
Total	(3,028)	21,837
4 Short-term borrowings		
Unsecured		
Holdings company- Unitech limited	9,545,472	9,545,472
Fellow subsidiary - Aditya properties private limited	5,928,100	5,928,100
Total	15,473,572	15,473,572
5 Other current liabilities		
Expenses payable		
	14,045	15,799
Total	14,045	15,799
6 Inventories		
Land		
	9,925,472	9,925,472
Total	9,925,472	9,925,472
7 Trade receivables		
others		
Considered good (unsecured)	5,928,100	5,928,100
Total	5,928,100	5,928,100
8 Cash and Bank balances		
Cash and cash equivalents		
Balances with banks	23,061	52,118
Cash on hand	7,956	5,318
Total	31,017	57,436
9 Short-term loans and advances		
Loans and advances to related parties (Unsecured , considered good)		
Advances to holding company - Unitech limited	100,000	100,000
Advance taxes paid (net of provision)	-	200
Total	100,000	100,200
10 Change in inventories		
Land		
Opening Stock	9,925,472	9,925,472
Less: land sold	(9,925,472)	(9,925,472)
Total	-	-
11 Other Expenses		
Legal and professional charges		
	6,067	2,400
Auditors Remuneration - audit fee	11,236	11,236
Filing fees	7,362	3,328
Bank charges	-	113
Printing & Stationery	-	4,563
Advertisement expenses	-	475
Total	24,665	22,115
12 Earlier year tax/excess provision for tax written back		
Earlier year tax/excess provision for tax written back		
	200	-
Total	200	-



HIGH STRENGTH PROJECTS PRIVATE LIMITED

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

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 during the year the 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. 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."

15. As per information available with the company, the sundry creditors do not include any amount due to Micro, Small and Medium Enterprises registered under "The Micro, Small and Medium Enterprises Development Act as at 31st March 2015.

16. Contingent liability – Nil (Previous year – Nil).

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
Fellow Subsidiary company Aditya properties Private Limited

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

(Amount in ₹)			
Sr.No	Description	Holding / Fellow Company	Total
1	Advance paid	Unitech Limited	(100,000)
1	Advance received	Aditya Properties Private Limited	(5,928,100)

*Previous year figures have been given in parentheses ()

(C) Related Party Transactions:

(Amount in ₹)					
S.No	Name of the Company	Description	Maximum Amount Due	Amount Outstanding as on 31.03.2015	Dr/Cr
1.	Unitech limited	Short term borrowings - Unsecured	9,545,472 (9,545,472)	9,545,472 (9,545,472)	Cr.
2.	Unitech limited	Short term loans & advances - Unsecured	100,000 (100,000)	100,000 (100,000)	Dr.
3	Aditya properties private limited	Short term borrowings – Unsecured	59,28,100 (59,28,100)	59,28,100 (59,28,100)	Cr.



18. EARNING PER SHARE

(Amount in ₹)

	Basic and diluted earning per share	31.03.2015	31.03.2014
		(₹)	(₹)
a)	Weighted average number of Equity shares at the beginning and end of the period	50000	50000
b)	Net Profit/(Loss) after tax (₹)	(24,865)	(22,115)
c)	Basic Earning per Share (₹)	(0.50)	(0.44)
d)	Nominal Value of a Equity Share (₹)	10	10

(Amount in ₹)

	Basic and diluted earning per share	31.03.2015	31.03.2014
		(₹)	(₹)
a)	Weighted average number of Equity shares at the beginning and end of the period	50000	50000
b)	Net Profit/(Loss) after tax (₹)	(24,865)	(22,115)
c)	Diluted Earning per Share (₹)	(0.50)	(0.44)
d)	Nominal Value of a 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. 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.

21. PREVIOUS YEAR FIGURES

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

As per our report of even date

For K M G S & ASSOCIATES

Chartered Accountants

FRN : 004730N

Neeth Singh


Partner

Membership No. 301075

Place : GURGAON

Dated : May 08, 2015


For and on behalf of the Board of Directors

Raman Sharma


RAMAN SHARMA

Director

DIN:01565750

Baldev Gupta


BALDEV GUPTA

Director

DIN: 02123200