

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAVELOCK SCHOOLS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HAVELOCK SCHOOLS 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 KMGS & ASSOCIATES
Chartered Accountants
Firm's Registration No. 004730N

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "INSTITUTE OF COST ACCOUNTANTS AND FINANCIAL MANAGERS" around the perimeter and "LALIT GOEL" in the center.

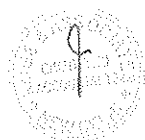
Partner LALIT GOEL
Membership No. 91100

Place: Gurgaon
Date: 27.05.2015

Annexure to the Independent Auditors' Report to the members of Havelock Schools 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) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the fixed assets were physically verified during the year by the management in accordance with the programmed of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records.
- (ii) The provisions relating to inventory are not applicable to the company.
- (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, fixed assets and sale of goods. 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.
- (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.



However 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. 119,289* which is less than fifty percent of it's net worth as at the end of the financial year. *It has incurred a cash loss of Rs.23,919 during the financial year covered by our audit and cash loss of Rs 12,922 during 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 KMGS & Associates
Chartered Accountants
Firm's Registration No. 004730N



LALIT GOEL
Partner 91100
Membership No.
Place: Gurgaon
Date:27.05.2015

Havelock Schools Limited
Balance Sheet as at 31st March'2015

Particulars	Notes	31/Mar/15	31/Mar/14
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserves and surplus	3	(119,401)	(95,370)
		380,599	404,630
Non-current liabilities			
(a) Long-term borrowings	4	6,777,494	6,267,494
		6,777,494	6,267,494
Current liabilities			
(a) Other current liabilities	5	51,447	532,086
		51,447	532,086
Total		7,209,540	7,204,210
Assets			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	7,189,844	7,189,844
		7,189,844	7,189,844
Current assets			
(a) Cash and bank balances	7	19,696	14,366
(b) Short-term loans and advances	8	-	-
		19,696	14,366
Total		7,209,540	7,204,210

Significant accounting policies

1

The accompanying notes are integral part of the financial statements.

As per our report of even date
For KMGS & Associates
Chartered Accountants
Firm Registration No:004730N



Partner **LALIT GOEL**
Membership No: 91100

For and on behalf of the Board of Directors



(VINOD DIXIT)
Director
DIN 01105979



(SANJIV GARG)
Director
DIN 06755283

Place: Gurgaon
Date: 27/05/2015

Havelock Schools Limited
Statement of Profit and Loss for the year ended 31st March'2015

Particulars	Notes	31/Mar/15	31/Mar/14
		₹	₹
INCOME			
Revenue from operations		-	-
Total revenue		-	-
EXPENSES			
Other expenses	9	24,031	12,922
Total expenses		24,031	12,922
Profit /(Loss)before tax		(24,031)	(12,922)
Tax expense		-	4,387
Earlier year tax		-	-
Current Tax		-	-
Deferred Tax		-	-
Profit /(Loss) for the year		(24,031)	(17,309)
Earnings per equity share of ₹ 10/- each			
Basic	16	(0.48)	(0.35)
Diluted		(0.48)	(0.35)

Significant accounting policies

1

The accompanying notes are integral part of the financial statements.

As per our report of even date
 For KMGS & Associates
 Chartered Accountants
 Firm Registration No:004730N

Partner **LALIT GOEL**
 Membership No: 91100

For and on behalf of the Board of Directors

(VINOD DIXIT)
 Director
 DIN 01105979

(SANJIV GARG)
 Director
 DIN 06755283

Place: Gurgaon
 Date: 27/05/2015

HAVELOCK SCHOOLS LIMITED
Cash Flow Statement
For the Year Ended 31st March'2015

Sr. No.		31/Mar/15	31/Mar/14
		₹	₹
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/ (Loss) before tax	(24,031)	(12,922)
	Adjustments for:		-
	Trade and Other Payable	(480,639)	(300,000)
	Cash Generated from Operations	(504,670)	(312,922)
	Direct Tax Paid	-	-
	NET CASH FROM OPERATING ACTIVITIES	(504,670)	(312,922)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Fixed Assets	-	-
	NET CASH FROM INVESTING ACTIVITIES	-	-
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings	510,000	300,000
	NET CASH FLOW FROM FINANCING ACTIVITIES	510,000	300,000
	Net change in cash and cash equivalents (A+B+C)	5,330	(12,922)
	Cash & Cash Equivalent at the beginning of the year	14,366	27,288
	Cash & Cash Equivalent at the end of the year	19,696	14,366
	Components of cash and cash equivalents		
	Balance with bank	13,760	9,023
	cash on hand	5,936	5,343
	Total cash and cash equivalents	19,696	14,366

Significant accounting policies

Note 1

The accompanying notes are integral part of the financial statements.

As per our report of even date
 For KMGs & Associates
 Chartered Accountants
 Firm Registration No:004730N



Partner **LALIT GOEL**
 Membership No: 91100

For and on behalf of the Board of Directors



(VINOD DIXIT)
 Director
 DIN 01105979



(SANJIV GARG)
 Director
 DIN 06755283

Place: Gurgaon
 Date: 27/05/2015

Havelock Schools Limited

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

1. SIGNIFICANT ACCOUNTING POLICIES

I. NATURE OF OPERATIONS

Havelock Schools Limited (The Company) was incorporated in 2006. The Company's main business is development of schools/educational institutions.

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 rate 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.

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. Fixed Assets and Depreciation

Fixed assets are stated at cost (gross block) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. It excludes refundable taxes. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they related to the period till such assets are ready to be put to use. Depreciation on fixed assets held in India is provided at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 and provisions of Companies Act, 2013 to the extent applicable on straight-line method. These rates in the opinion of the management reflected the economic useful life of the assets. Some of the subsidiaries/JV is depreciating fixed assets on written down value basis at rates specified in schedule XIV of the Companies Act, 1956 and provisions of Companies Act, 2013 to the extent applicable.

VI. IMPAIRMENT OF ASSETS

Management at each balance sheet date assesses using external and internal sources whether there is an indication that an asset or group of assets or a cash generating unit as the case may be impaired. Impairment occurs where the carrying value exceeds the higher of value in use represented by the present value of future cash flows expected to arise from the continuing use of the asset and its realizable value. The impairment loss is charged off to statement of profit and loss.

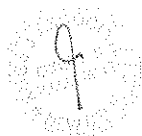
VII. CASH & CASH EQUIVALENT

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.

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.



Havelock Schools Limited

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

2 Share capital

Authorised

50000(Previous year 50000) Equity shares of ₹10/- each

Issued, subscribed and fully paid up

50000(Previous year 50000) Equity shares of ₹10/- each with voting rights

Total

Reconciliation of the shares outstanding at the beginning and end of the reporting year

	31/Mar/15	31/Mar/14
	₹	₹
Authorised	500,000	500,000
Issued, subscribed and fully paid up	500,000	500,000
Total	500,000	500,000

	31/03/2015		31-3-2014	
	Number	₹	Number	₹
At the beginning of the year	50,000	500,000	50,000	500,000.00
	-	-	-	-
Outstanding at the end of the period	50,000	500,000	50,000	500,000

The total issued share capital comprises equity shares only, having face value of ₹ 10.00 per share, ranked *pari passu* in all respects including voting rights and entitlement to dividend.

Holding company (Unitech Limited)

	31/Mar/15	31/Mar/14
	50,000	50,000
	50,000	50,000

Detail of shareholder holding more than 5% share
Unitech Limited

	31/03/2015		31-3-2014	
	Number of	% held	Number of shares	% held
	50000	100	50,000	100
	50000	100	50,000	100

3 Reserve and Surplus

As per last Financial Statements

Add: Profit/(Loss) for the year.

Add: Profit/(Loss) for the year.

Total

	31/Mar/15	31/Mar/14
	(95,370)	(78,061)
	(24,031)	(17,309)
Total	(119,401)	(95,370)

4 Long-term borrowings

Loan and advances from related parties-Unsecured

Holding Company-Unitech Limited *

Total

* Interest free deposits payable on demand

	31/Mar/15	31/Mar/14
	₹	₹
	6,777,494	6,267,494
Total	6,777,494	6,267,494

5 Other current liabilities

Expenses payable

Trade payable

Total

	31/Mar/15	31/Mar/14
	₹	₹
	11,236	-
	40,211	532,086
Total	51,447	532,086



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Havelock Schools Limited

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

6 Fixed Assets
Tangible Assets
Own Assets

	Land	Total
	₹	₹
Gross block		
Cost- As at 1st April,2014	7,189,844	7,189,844
Additions	-	-
As at 31st, March,2015	7,189,844	7,189,844
Depreciation & Amortisation		
As at 1st April,2014	-	-
Charge for the year	-	-
As at 31st, March,2015	-	-
Net Block		
As at 31st, March,2015	7,189,844	7,189,844



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Havelock Schools Limited

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

7 Cash and Bank balances

Cash and cash equivalents

Balances with banks

Cash on hand

Total

31/Mar/15	31/Mar/14
₹	₹
13,760	9,023
5,936	5,343
19,696	14,366

8 Short-term loans and advances

(Unsecured, considered good unless stated otherwise)

Income tax (Net of Provision)

Total

31/Mar/15	31/Mar/14
₹	₹
-	-
-	-

9 Other Expenses

Legal & professional charges

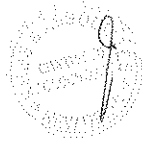
Auditor's Remuneration-Audit fee

Registration & filing fees

Bank charges

Total

31/Mar/15	31/Mar/14
₹	₹
2,809	-
11,236	11,236
9,200	900
786	786
24,031	12,922



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Havelock Schools Limited

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

10. 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.
11. In the opinion of the Board of Directors and to the best of their knowledge and belief, the aggregate value of current assets 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. SEGMENT REPORTING: Segmentwise revenue, results & other information

The company is primarily in the business of development & management of schools/educational institutions. Further whole 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. CONTINGENT LIABILITIES

There is no Contingent Liability as on 31st March,2015.

14. 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 as at 31st March 2015.

15. 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 ₹)
Sl.No	Description	Holding	Total
1	Advances received	Unitech Limited	5,10,000 (3,00,000)

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

(Amount ₹)

	Name of the Company	Description	Max. amount due during the period	Amt. outstanding as at 31.03.2015	Dr/Cr
1.	Unitech Limited	Unsecured Loan	67,77,494 (62,67,494)	67,77,494 (62,67,494)	Cr

Previous year figures have been given in (parentheses)

16. EARNING PER SHARE

	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 year	50000	50000
b)	Net Profit/(Loss) after tax ₹	(24031)	(17309)
c)	Basic Earning per Share ₹	(0.48)	(0.35)
d)	Diluted Earning per Share ₹	(0.48)	(0.35)
e)	Nominal Value of a Equity Share ₹	10	10

17. Additional information:

(Amount ₹)

Particulars	Current year	Previous year
(a) Value of Imports on CIF Basis	NIL	NIL
(b) Expenditure in foreign currency		
- Consultancy fees	NIL	NIL
- Travelling & Boarding		
(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

18. Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date
For KMGs & Associates
Chartered Accountants
Firm Registration No:004730N

Partner
Membership No. : 31100
Place : Gurgaon
Date : 27/05/2015

For and on behalf of the Board of Directors



(VINOD DIXIT)
Director
DIN 01105979



(SANJIV GARG)
Director
DIN 06755283