

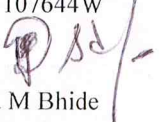
HEM INFRASTRUCTURE & PROPERTY DEVELOPERS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
I. EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	3	16,116,870		16,116,870	
Reserves and Surplus	4	1,024,736,547	1,040,853,417	1,020,748,746	1,036,865,616
Non-Current Liabilities					
Long-term borrowings		-		-	
Deferred tax liabilities (Net)		-		-	
Other Long term liabilities		-		-	
Long term provisions		-	-	-	-
Current Liabilities	5				
Short-term borrowings		-		-	
Trade payables		-		9,913	
Other current liabilities	6	24,107		5,618	
Short-term provisions	7	968,700	992,807	84,270	99,801
Total			1,041,846,224		1,036,965,417
Assets					
Non-current assets					
Fixed assets					
Tangible assets		-		-	
Intangible assets		-		-	
Capital work-in-progress		-		-	
Non-current investments	8	939,623,868		939,623,868	
Deferred tax assets (net)		-		-	
Long term loans and advances		-		-	
Other non-current assets	9	3,433,974	943,057,842	3,433,974	943,057,842
Current assets					
Current investments	10	-		93,657,643	
Inventories		-		-	
Trade receivables		-		-	
Cash and cash Balances	11	98,636,207		230,137	
Short-term loans and advances		2,940		0	
Other current assets	12	149,235	98,788,382	19,795	93,907,575
Total			1,041,846,224		1,036,965,417

See accompanying Notes forming part of the Financial Statements

As per our report of even date attached

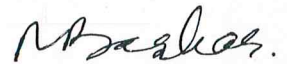
For Patel & Deodhar
Chartered Accountants
FRN- 107644W



Deepa M Bhide
Partner
Membership No. 049616
Date: 10-05-2016
Place: Mumbai

For & On Behalf of Board

Manoj Borkar



Rajeev Piramal



Directors

10 MAY 2016

HEM INFRASTRUCTURE & PROPERTY DEVELOPERS PRIVATE LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2016

Particulars	Note No	For the year As at March 31, 2016 (Rupees)	For the year March 31, 2015 (Rupees)
INCOME			
Revenue from Operations		-	-
Other Income	13	6,097,391	5,618,972
		6,097,391	5,618,972
EXPENDITURE			
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories of- Finished Goods		-	-
Work-in-Progress		-	-
Stock-in-Trade		-	-
Employee Benefits Expenses		-	-
Finance Costs		-	-
Depreciation and Amortisation Expense		-	-
Other Expenses	14	1,206,982	126,094
Total Expenses		1,206,982	126,094
Profit/(Loss) before taxation		4,890,410	5,492,878
Income Tax			
-Current Tax		900,000	34,000
-Earlier Years Tax (net)		2,610	-
Net Profit / (Loss) after taxation		3,987,800	5,458,878
Balance brought forward from previous year		11,869,030	6,410,152
Balance of Profit carried forward		15,856,830	11,869,030
Earnings Per Share (EPS)	15		
(Equity shares, Face value Rs. 10/- each)			
Basic		3.64	4.99
Diluted		2.74	3.76
Weighted Average Number of shares used in computing earnings per share			
Basic		1,094,453	1,094,453
Diluted		1,453,635	1,453,635

See accompanying Notes forming part of the Financial Statements

As per our report of even date attached

For Patel & Deodhar

Chartered Accountants

FRN- 107644W

Deepa M Bhide

Partner

Membership No. 049616

Date: 10-5-2016

Place: Mumbai

For & On Behalf of Board

Manoj Borkar

Rajeev Piramal

Directors

10 MAY 2016

HEM INFRASTRUCTURE & PROPERTY DEVELOPERS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Rupees March 31, 2016	Rupees March 31, 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per Profit & Loss Account (before tax)	4,890,410	5,492,878
Adjustment for:		
Interest Accrued but	128,525	
Dividend Income	3,382,471	5,505,110
Gain on sale of Investments	2,586,396	113,862
Operating Profit before changes in Operating Assets	(1,206,982)	(126,095)
Decrease / (Increase) in trade and other receivables	(3,854)	136
Increase / (Decrease) in trade and other payables	(6,994)	23,502
Net cash from operating activities before Income Tax	(1,217,830)	(102,457)
Income Tax Paid (Net)	(2,610)	(34,000)
Net cash (used in) operating activities (A)	(1,220,440)	(136,457)
B CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	3,382,471	5,505,110
Decrease / (Increase) in Current Investments	93,657,643	(5,583,442)
Gain on sale of Investments	2,586,396	113,862
Net cash from investing activities (B)	99,626,510	35,530
C CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from financing activities (C)	-	-
Net Increase / (Decrease) in cash & cash equivalents (A)+(B)+(C)	98,406,070	(100,927)
Cash & cash equivalents at the beginning	230,137	331,065
Cash & cash equivalents at the end	98,636,207	230,137

See accompanying Notes forming part of the Financial Statements

As per our report of even date attached

For Patel & Deodhar
Chartered Accountants
FRN- 107644W

Deepa M Bhide
Partner
Membership No. 049616
Date: 10-5-2016
Place: Mumbai

For & On Behalf of Board

Manoj Borkar

Rajeev Piramal

Directors

10 MAY 2016

(1) Corporate Information

Hem Infrastructure & Property Developers Pvt. Ltd. is a private limited company incorporated and domiciled in India on 27th February 2006. The Company's main business is development of real estate.

(2) Significant Accounting Policies

a) Basis for preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards issued under issued pursuant to the Companies (Accounting Standards) Rules 2006. All income and expenditure having material bearing on the Financial Statements are recognised on an accrual basis

The preparation of Financial Statements requires the Management to make certain estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as on the date of the Financial Statements and the reported Income and Expenses during the reporting period. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable

b) Investments

- i) Investments are capitalised at actual cost including costs incidental to acquisition
- ii) Investments are classified as Long Term or current at the time of acquisition of such investments
- iii) Long Term investments are individually valued at cost less provision for diminution, other than temporary
- iv) Current investments are valued at lower of cost or fair value

c) Revenue Recognition

- i) Company's main business is development of real estate and revenue from the said activity is recognized when significant risk and rewards with regard to ownership are transferred and no significant uncertainty exist with regard to ultimate collections
- ii) Dividend income is recognised once the unconditional right to receive dividend is established
- iii) Interest income on fixed deposits is accrued proportionately based on period for which the same is placed

d) **Taxation**

Income tax comprises of Current Tax and net changes in Deferred Tax Assets or Liabilities during the year. Current Tax is determined at the amount of tax payable in respect of taxable income for the year as per the Income tax Act, 1961

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of timing differences arising from differences in accounting policies as per the accounts drawn up under the Companies Act and the Income tax Act. Deferred Tax Assets and Liabilities other than on carry forward losses and unabsorbed depreciation under tax laws are recognised when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognised when it is virtually certain that there will be future taxable profit. Deferred tax assets and liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Statement of Profit and Loss in the period of substantive enactment of the change

e) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made.

Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. A Contingent Liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements

f) **Cash and Cash equivalents**

Cash and Cash Equivalents comprises of Balance in Bank Current Accounts.

g) **Earnings Per Share**

In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date

(3) **Share Capital**

a) Share Capital of the Company consists of the following:

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Authorised Shares		
12,00,000 (12,00,000) Equity Shares of ₹ 10/- each	12,000,000	12,000,000
8,00,000 (8,00,000) Preference Shares of ₹ 10/- each	8,000,000	8,000,000
Issued, Subscribed & Fully Paid-up		
10,94,453 (10,94,453) Equity Shares of ₹ 10/- each fully paid up	10,944,530	10,944,530
26,870 (26,870) Redeemable Optionally Convertible Cumulative Preference Shares of ₹ 10/- each fully paid up (2006 Issue)	268,700	268,700
1,49,129 (1,49,129) Redeemable Optionally Convertible Cumulative Preference Shares of ₹ 10/- each fully paid up (2007 Issue)	1,491,290	1,491,290
2,37,078 (2,37,078) Redeemable Optionally Convertible Cumulative Preference Shares of ₹ 10/- each fully paid up (2010 Issue)	2,370,780	2,370,780
1,04,157 (1,04,157) Redeemable Optionally Convertible Cumulative Preference Shares of ₹ 10/- each fully paid up (2011 Issue)	1,041,570	1,041,570
Total	16,116,870	16,116,870

(Of the above 558,171 Equity Shares and 237,078 (2010 Issue) Preference Shares and 104,157 (2011 Issue) Preference Shares are held by Peninsula Holdings and Investments Private Limited the Holding Company

Notes:

- 1) All Equity shares issued and subscribed carry equal voting rights.
- 2) All Redeemable Optionally Convertible Cumulative Preference Shares were originally convertible / redeemable within six years from the date of issuance. However, vide approval the date of conversion has been extended details of which are given in Note 3(d).

- b) Reconciliation of the number of shares outstanding at the beginning of the year and at the end of the year

Equity shares	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	1,094,453	1,094,453
Add: Issued during the year	-	-
At the end of the year	1,094,453	1,094,453
Preference shares – 2006 Issue		
At the beginning/end of the year	26,870	26,870
Preference shares – 2007 Issue		
At the beginning / end of the year	149,129	149,129
Preference shares – 2010 Issue		
At the beginning / end of the year	237,078	237,078
Preference shares – 2011 Issue		
At the beginning/end of the year	104,157	104,157

- c) List of the shareholders holding more than 5% of the share capital as at March 31, 2016

Equity Shares	As at March 31, 2016		As at March 31, 2015	
Name of the Shareholder	No of Shares held	% of Holding	No of Shares held	% of Holding
Peninsula Holdings and Investments Private Limited	558,171	51.00	558,171	51.00
IIRF Holdings I Ltd.	493,700	45.11	493,700	45.11

Redeemable Optionally Convertible Cumulative Preference Shares	As at March 31, 2016		As at March 31, 2015	
Name of the Shareholder	No of Shares held	% of Holding	No of Shares held	% of Holding
Peninsula Holdings and Investments Private Limited	341,235	65.97	341,235	65.97
IIRF Holdings I Ltd.	140,142	27.09	140,142	27.09
IL&FS Trust Company Limited – IL&FS Private Equity Trust – Infrastructure Leasing & Financial Services Realty Fund	35,857	6.94	35,857	6.94

- d) The Details of Conversion of preference shares into Equity Shares as of March 31, 2016 are as below:

Class of Preference shares	Year of Conversion	Date of Conversion
Preference shares – 2006 Issue (1 Preference share Convertible into 1 Equity Share)	2018-19	18 th July, 2018
Preference shares – 2007 Issue (1 Preference share Convertible into 1 Equity Share)	2016-17	22 nd May, 2016
Preference shares – 2010 Issue (3 Preference shares Convertible into 1 Equity Share)	2016-17	12 th December, 2016
Preference shares – 2011 Issue (1 Preference shares Convertible into 1 Equity Share)	2017-18	30 th November, 2017

(4) Reserves & Surplus

The movement in Reserves and Surplus are as under:

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Securities Premium		
Balance at beginning of the year	1,008,879,717	1,008,879,717
Add: Received upon issuance of shares	-	-
Less: Utilised on Redemption of Shares	-	-
Balance at the end of the year	1,008,879,717	1,008,879,717
Surplus in Statement of Profit & Loss		
Balance at beginning of the year	11,869,030	6,410,152
Add: Profit/(Loss) for the year	3,987,800	5,458,878
Balance at the end of the year	15,856,830	11,869,030
Total Reserves and Surplus	1,024,736,547	1,020,748,747

(5) Current Liabilities

Current Liabilities consists of all payables in respect of amount due on account of services received in the normal course of business:

According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given.

(6) **Other Current Liabilities**

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
TDS Payable	24,107	5618
Total	24,107	5618

(7) **Short Term Provisions**

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Audit Fees	68,700	84,270
Income Tax	9,00,000	-
Total	9,68,700	84,270

(8) **Non-Current Investments**

The Company has formed Association of Person (AOP) by the name HEM Bhattad with MB Construction, MB Development Corporation – Partnership firm, R.M. Bhuthuer & Company Ltd. The AOP constituted with the above entities is proposed to carry out integrated residential development project at Mumbai. The Company's share in the surplus/profit of AOP is 35.50%

Non -current investment consists of :

Particulars	Cost As at March 31, 2016 ₹	Cost As at March 31, 2015 ₹
Long Term Unquoted Trade Investment - Interest in Association of Persons		
Hem Bhattad (AOP)	93,96,23,868	93,96,23,868
	93,96,23,868	93,96,23,868

Based on the unaudited financials of FY 2015 and unaudited financials for FY2016 of Hem Bhattad AOP, there is no impairment in carrying value of the investment as assessed by the Management.

(9) **Other Non-Current Assets**

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Other Non-Current Assets Sundry Debtors-OPE Recoverable	3,433,974	3,433,974
Total	3,433,974	3,433,974

(10) **Current Investments**

The details of current investments are provided below :

Particulars		As at March 31, 2016		As at March 31, 2015	
		Non Trade – Investment in Mutual Funds - Unquoted			
	Face Value	Units	Amount ₹	Units	Amount ₹
HDFC Liquid Fund Plan Daily Dividend	10	-	-	4,121,930	42,036,364
DWS Insta Cash Plus Fund	100	-	-	317,700	31,866,626
UTI Liquid Cash Plan Daily Dividend Fund	1,000	-	-	19,378	19,754,653
Total			-		93,657,643

(11) **Cash and Cash Equivalents**

Cash and Cash Equivalents consist of :

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Balance with Banks		
- In Current Accounts	636,207	230,138
Other Bank Balances :		
- In Fixed Deposit Accounts	98,000,000	-
Total	98,636,207	230,138

(12) Other Current Assets

Other current assets consist of amounts expected to be realized within twelve months of the Balance Sheet date :

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Unsecured , considered good :		
Other Advances Recoverable in cash or in kind or for value to be received	149,235	19,795
Total	149,235	19,795

(13) Other Income

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Dividend Income from Mutual Funds	3,382,471	5,505,110
Gain on sale of Investments	2,587,196	113,862
Interest on Fixed Deposit	128,525	-
Total	6,098,192	5,618,972

(14) Other Expenses

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Payments to auditor :		
- as auditor	57,250	56,180
- for taxation matters	-	-
- for other services	-	-
- for reimbursement of expenses	-	-
Legal & Professional Expenses	779,957	31,966
Licence & Fees	17,945	37,948
Advertising Expenses	351,830	-
Total	1,206,982	126,094

(15) **Earning Per Share**

In accordance with the Accounting Standard on 'Earnings Per Share' (AS-20), the Basic Earnings Per Share and Diluted Earnings Per Share has been computed by dividing the Profit After Tax by the number of equity shares for the respective period as under :

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit After Tax (₹)	39,87,800	54,58,878
Weighted Average Number of Equity Shares in calculating Basic EPS	10,94,453	10,94,453
Add: Potential Equity Shares on conversion of Preference Shares	3,59,182	3,59,182
Weighted Average Number of Equity Shares in calculating Diluted EPS	14,53,635	14,53,635
(i) Nominal Value per share (₹)	10.00	10.00
(ii) Basic Earning per share (₹)	3.64	4.99
(iii) Diluted Earning per share (₹)	2.74	3.76

(16) **Disclosure as required by the AS-18 on "Related Party Disclosures" are made below**

- (a) Name of the Related Parties with whom transactions have been entered into during the year and Description of Relationship :

Nature of Relationship	Name of Entity
Holding Company	Peninsula Holdings and Investments Private Limited
Shareholder having significant influence	IIRF Holdings I Ltd.
Direct Associate	Hem Bhattad (AOP)
Key Management Person	Board of Directors

- (b) The nature and volume of transactions during the year ended March 31, 2016 with the above related parties are as follows :

Nature of Transaction	Holding Company	Shareholder having significant influence	Direct Associate
Balances outstanding at the end of the year :			
Equity Share Capital	55,81,710 (55,81,710)	49,37,000 (49,37,000)	- (Nil)
Preference Share Capital	34,12,350 (34,12,350)	14,01,120 (14,01,120)	- (Nil)
Investment	- (Nil)	- (Nil)	93,96,23,868 (93,96,23,868)
Loans & Advances	- (Nil)	- (Nil)	34,33,974 (34,33,974)

Transactions during the year :			
Issue of Shares	- (Nil)	- (Nil)	- (Nil)
Redemption of Shares	- (Nil)	- (Nil)	- (Nil)
Divestment	- (Nil)	- (Nil)	- (Nil)

(Figures in brackets represent figures of the previous year)

(17) Segment Reporting

The Company is in the business of real estate property development. As such, there is no separate reportable business segment or geographical segment as per Accounting Standard 17 on "Segment Reporting"

(18) Contingent Liabilities and Commitments (to the extent not provided for)

- The Company as a member of Hem Bhattad AOP has created charge on land of AOP- more particularly described in unilateral indenture of Mortgage dated 27-09-2012 in favour of Housing Development Finance Corporation Limited for facility of ₹ 250 crore availed by Hem Bhattad AOP, of which Company is a member.
- Company has filed a writ petition w.r.t. re-opening of assessment by Income Tax department for A.Y.-2008-09 for taxing securities premium as Income, no demand has been raised by the Income Tax department.

- (19)** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

As per our report of even date attached
For Patel & Deodhar
Chartered Accountants
FRN- 107644W

sd/-

Deepa M Bhide
Partner
Membership No. 049616

Date : 10-5-2016
Place : Mumbai

For & On Behalf of Board

Manoj Borkar



Rajeev Piramal



Directors

10 MAY 2016

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HEM INFRASTRUCTURE AND PROPERTY DEVELOPERS PRIVATE LIMITED**

1. Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of Hem Infrastructure and Property Developers Private Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. 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 Companies (Accounts) Rules, 2014. This responsibility also includes the 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.

3. 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 thereunder.

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 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. An audit also includes evaluating the appropriateness of 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.

4. 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 March 31, 2016, and its profit and cash flows for the year ended on that date.

5. Emphasis of Matter

Without qualifying our opinion, we invite your attention to Note 8 of Standalone Financial Statements, in respect of the value of investments, where we have relied on unaudited financials of Hem Bhatia (AOP). However we have received balance confirmation for the balance outstanding as at 31st March 2016 from Hem Bhatia (AOP). Our opinion is not modified in respect of this matter.

6. Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

D

2. 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 purpose 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. There are no branch offices of the company;
 - d. Company's Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and returns;
 - e. 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 Companies (Accounts) Rules, 2014 as amended to date;
 - f. There are no financial transactions or matters which have adverse effect on functioning of the Company;
 - g. On the basis of written representations received from the Directors as on 31st March 2016 none of the Directors is disqualified as at 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - h. There are no qualifications, reservations or adverse remarks relating to maintenance of accounts and other matters connected therewith;
 - i. With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-B, and
 - j. With respect to the other matters as prescribed in Rule 11 of the Company (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and according to the explanations given to us:
 - i. Company has disclosed Contingent Liability relating to pending litigations in Note 18 viz-
 - a. Contingent Liability pertaining to mortgage created on property domiciled in ACP for Rs.250 crores;
 - b. Writ petition filed for A.Y.-2008-09 pertaining to re-opening of assessment for charging Securities premium as Income. No demand has been raised so far in this matter.
 - ii. The Company did not have any long term contracts including derivative contracts having 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 during the year.

For Patel and Dandhar
Chartered Accountants
Firm Registration No. 107644W



Deepa M. Bhide
Partner
Membership No. 449616

Mumbai, 1st July, 2016

Annexure - A to the Independent Auditor's Report on the Standalone Financial Statements of Hmt Infrastructure and Property Developers Private Limited
[Referred to in paragraph 6(i) of our report of even date]

1. Company does not hold any Fixed Assets and hence, this clause is not applicable. [Clause 3(i)]
2. Company does not carry any inventory and hence this clause is not applicable to the Company. [Clause 3(ii)]
3. Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act and hence clauses relating to such loans given are not applicable. [Clause 3(iii)(a)(b)(c)]
4. Company has not given any loans, guarantees and security and thus provisions of sections 183 and section 186 of the Act are not applicable. [Clause 3(iv)]
5. Company has not accepted any deposits from its members. Therefore, directives issued by RBI in this regard, provisions of section 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. [Clause 3(v)]
6. Company is not engaged in production of any goods or providing any services and hence provisions of Section 148 of the Act relating to maintenance of cost records is not applicable to the Company. [Clause 3(vi)]
7. (a) The Company, to the extent applicable to it, was generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities. There were no arrears of outstanding statutory dues as at the last day of the financial year 2015-16 for a period of more than six months from the date they become payable. [Clause 3(vii)(a)]

(b) To the best of our knowledge and belief and according to the information and explanations given and from the records made available to us, there are no disputed amounts in case of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, or Value Added Tax which are unpaid as of 31st March, 2016. [Clause 3(vii)(b)]
8. Company has not taken any loans or borrowing from Financial Institutions, Banks, Government or Debenture holders and hence this clause is not applicable to the Company. [Clause 3(viii)]
9. Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence this clause is not applicable to the Company. [Clause 3 (ix)]
10. To the best of our knowledge and belief and according to the information and explanations given and from records made available to us, there was no fraud by the Company or on the Company by its Officers or Employees which was noticed or reported during the year. [Clause 3(x)]
11. No Managerial Remuneration was paid for the period under audit and hence this clause is not applicable to the Company. [Clause 3(xi)]
12. Company is not a Nidhi Company and hence this clause is not applicable to the Company. [Clause 3(xii)]
13. No related party transactions have been entered into and hence, Sec.183 is not applicable. Company is not required to form Audit Committee and hence, requirements of Sec.177 are not applicable to it. Details of all related party transactions have been disclosed in Financial Statements as required by the applicable Accounting Standards. [Clause 3(xiii)]
14. Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence this clause is not applicable to the Company. [Clause 3(xiv)]
15. Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable [Clause 3(xv)]
16. Company is not required to obtain registration under section 45IA of Reserve Bank of India Act, 1934 and hence this clause is not applicable to the Company. [Clause 3(xvi)]
17. Having regard to our report on clauses under Para 3 of the Order given above, reporting under Para 4 is not applicable.

For Patel and Desai
Chartered Accountants
Firm Registration No. 107644 W



Deepa M. Bhile
Partner
Membership No. 049616
Mumbai, 1st July, 2016

Annexure - B to the Independent Auditor's Report on the Standalone Financial Statements of Hem Infrastructure and Property Developers Private Limited
Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")
(Referred to in paragraph 5(2) (i) of our report of even date)

We have audited the internal financial controls over financial reporting of Hem Infrastructure and Property Developers Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

For Patel & Deodhar
Chartered Accountants
Firm Registration No. 107644 W



Deepa M. Bhide
Partner
Membership No. 049616

Mumbai, 1st July, 2016