

EMERGENCE REALTY PRIVATE
LIMITED

ANNUAL REPORT

2016-2017

DIRECTORS : NADARAJAN RAMANI
SH IVAJI BATE

AUDITORS : THAR & CO.
Chartered Accountants
Mumbai



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602, A-Wing 6th Floor, Kaledonia Building, Sahar Road, Near Railway Station,
Andheri (East), Mumbai - 400 069 | ☎ 022 671 54321
www.tharco.in

Independent Auditor's Report

To the Members of Emergence Realty Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Emergence Realty Private Limited** ('the Company'), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

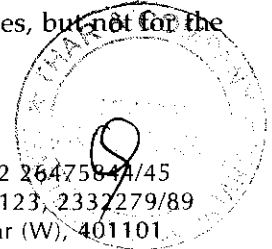
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Company 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 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 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.

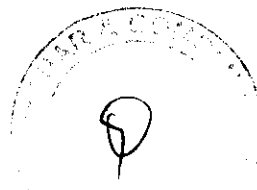
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2017 and its profit for the year ended on that date.

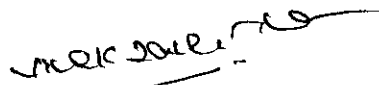
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 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 and the statement of profit and loss dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) 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.
- (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company. Refer Note No. 2.11 to the financial statements.

For Thar & Co.,
Chartered Accountants
FRN No: 110958W



Vivek J. Thar
(Partner)
ICAI Membership No. 154812



Place: Mumbai
Date: 1st September, 2017



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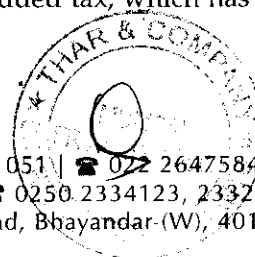
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"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended on 31st March, 2017 of **Emergence Realty Private Limited**.

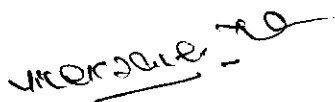
- (i) The Company does not have any fixed assets and therefore the provisions of clause (i) of paragraph 3 of Companies (Auditor's Report) Order, 2016 (as amended) are not applicable to the Company.
- (ii) The Company does not hold any inventories therefore the provisions of clause (ii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 (as amended) are not applicable to the Company.
- (iii) The Company has granted loans and advances, unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013 however no agreement was entered into for the same and :-
 - a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
 - b) No repayment schedule has been specified and repayment has been made on demand, therefore the question of regularity in repayment of principal amount, wherever applicable, does not arise.
 - c) There are no overdue amounts for more than 90 days in respect of the loans granted to the entities listed in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any Loans or Guarantees to directors or made any investments as mentioned in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed rupees thirty five crores, the provisions of Companies (Cost Accounting Records) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the Current Financial year.
- (vii) (a) The Company is regular in depositing undisputed amount of statutory dues in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, VAT, cess and other statutory dues as applicable with the appropriate authorities and as on 31st March, 2017, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax, which has not been deposited on account of any dispute.



- (viii) The Company has not defaulted in repayment of its loan or borrowings to banks. The Company does not have any borrowings by way of debentures.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The company has not taken any term loan during the financial year covered under the audit and accordingly the provisions of clause (ix) of the paragraph 3 of Companies (Auditor's Report) Order, 2016 (as amended) are not applicable to the Company.
- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company or any of its employees or officers were noticed or reported during the course of our audit.
- (xi) The Company has not paid managerial remuneration during the year as mandated by the provisions of section 197 of the Companies Act, 2013 and hence the provisions under clause (xi) are not applicable to the Company.
- (xii) The Company is not a Nidhi Company as specified by the Companies Act, 2013 and hence the provisions under clause (xii) of Paragraph 3 of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with the provisions of Section 188 of the Companies Act, 2013, and where applicable the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Since the Company is a private company, the provisions of section 177 are not applicable to the Company.
- (xiv) The Company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year and accordingly provisions of clause (xiv) of Paragraph 3 of Companies (Auditor's Report) Order, 2016 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45 IA of Reserve Bank of India hence the provisions of clause (xvi) are not applicable to the Company.

For Thar & Co.,
Chartered Accountants
FRN No: 110958W


Vivek J. Thar
(Partner)
ICAI Membership No. 154812



Place: Mumbai
Date: 1st September, 2017

Emergence Realty Pvt. Ltd.
BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in Rs.)

PARTICULARS	Note No.	As at	
		March 31, 2017	March 31, 2016
I EQUITY & LIABILITIES			
1 Shareholders' Funds			
A) Share Capital	2.1	5,00,000	5,00,000
B) Reserves & Surplus	2.2	(8,55,578)	(93,952)
2 Non - Current Liabilities			
A) Long-term Borrowings	2.3	1,61,31,11,911	1,45,58,77,176
3 Current Liabilities			
A) Other Current Liabilities	2.4	1,74,99,276	1,57,96,123
Total...		1,63,02,55,609	1,47,20,79,347
II ASSETS			
1 Non Current Assets			
A) Non Current Investments	2.5	24,92,58,445	24,92,58,445
B) Long Term Loans and Advances	2.6	95,17,43,826	96,82,81,000
C) Other Non Current Assets	2.7	42,90,86,176	25,43,80,915
2 Current Assets			
A) Cash & Cash Equivalent	2.8	1,67,162	1,58,987
Total...		1,63,02,55,609	1,47,20,79,347
Significant accounting policies & notes on accounts	1 & 2	-	-

As per report of even date attached.

For Thar & Co.

Chartered Accountants

FRN:110958W

Vivek J Thar

CA Vivek J Thar

(Partner)

M. No. 154812

Place : Mumbai

Date : 1st September 2017



For Emergence Realty Pvt Ltd

Nadarajan Ramani

Nadarajan Ramani

Director

DIN:06847516

Shivaji Bate

Shivaji Bate

Director

DIN:07017230

Emergence Realty Pvt. Ltd.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs.)

PARTICULARS	Note No.	For the year ended on	
		March 31, 2017	March 31, 2016
I INCOMES			
Other Income		-	-
Total Income...		-	-
II EXPENSES			
A) Finance Cost	2.9	2,278	-
B) Other expenses	2.10	7,59,348	43,850
Total Expenses...		7,61,626	43,850
PROFIT/(LOSS) BEFORE TAX		(7,61,626)	(43,850)
LESS:TAX EXPENSES			
A) Current Tax		-	-
B) Deferred Tax		-	-
C) Tax of earlier years		-	10,110
PROFIT/(LOSS) AFTER TAX		(7,61,626)	(53,960)
Earnings Per Equity Share			
Equity share of par value Rs.10/- each			
a) Basic & diluted earnings per share		(15.23)	(1.08)
Weighted average number of equity shares			
a) Basic & diluted		50,000	50,000
Significant accounting policies & notes on accounts 1 & 2			

As per report of even date attached.

For Thar & Co.

Chartered Accountants
FRN:110958W

Vivek J Thar

CA Vivek J Thar
(Partner)

M. No. 154812

Place : Mumbai

Date : 1st September 2017



For Emergence Realty Pvt Ltd

N. Ramani

Nadarajan Ramani
Director
DIN:06847516

Shivaji Bate

Shivaji Bate
Director
DIN:07017230

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

A Basis of Preparation

- a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis and comply in all material respects with the mandatory Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

B Use of Estimates:

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenue & Income and the disclosure of contingent liabilities on the date of the financial statement. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirement of the respective Accounting Standards.

C Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis. All other investments are classified as long-term investments and are carried at cost except that a provision for diminution in value is made to recognize a decline which is other than temporary, as specified in Accounting Standard (AS 13) on "Accounting for Investments".

D Revenue Reorganization

a) **Interest:**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

b) **Dividends:**

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

c) **Rent:**

Revenue is recognized on accrual basis.

d) **Profit/Loss on Sale of Investment:**

It is recognized at the time on its liquidation/redemption.

E Income Taxes:

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS - 22) on "Accounting for Taxes on Income". The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognized only if there is a reasonable certainty that the assets will be realized in future.

F Fixed Assets and Depreciation:

Fixed Assets are stated at cost of acquisition /construction including any cost attributable to bringing them to their working condition, less accumulated depreciation.

The Company provides depreciation on Straight Line Method in respect of assets as per the rates and in the manner set out in the Schedule XIV to the Companies Act, 1956. Depreciation on the assets individually costing less than ` 5,000/- is provided fully in the year of acquisition/ installation.



G Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of transaction. On the Balance Sheet date, monetary foreign currency items are reported using the closing rate and non-monetary foreign currency items are carried at cost. Gains or losses arising, if any, on account of the fluctuation in exchange rates, are given effect in the Profit and Loss Account under the head Foreign Exchange Fluctuations.

H Borrowing Costs:

Borrowing cost incurred in relation to acquisition, construction of assets, save and except the normal capital expenditure, is capitalized /carried forward as a part of the cost of such assets upto the date when such assets are ready for their intended use as specified in Accounting Standard (AS 16) on "Borrowing Costs". Other borrowing costs are charged to Profit & Loss Account as and when they are incurred.

I Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount and such loss is charged to profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimate of the recoverable amount as specified in Accounting Standard (AS 28) on "Impairment of Assets".

J Employees retirement Benefits

Company's contribution in respect of employees' provident fund is made to government provident fund and is charged to Profit & Loss Account.

Liability for Gratuity and Leave Encashment accrued for the year is provided for and charged to Profit & Loss Account, on the basis of actuarial valuation.

K Prepaid Expenses:

Financial expenses incurred during the current accounting period which provides benefit in several accounting period has been treated as revenue expense only for the period relating to the current accounting period and balance is treated as prepaid expenses to be adjusted on prorata basis in the future accounting period.

L Segment Reporting:

Since the company has only one business segment i.e. investment in different operating companies, no segmental reporting is done.

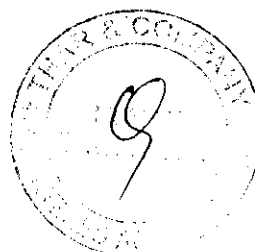
M Earnings per Share:

Basic Earnings per Share (EPS) is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by average number of equity shares outstanding during the period. The average number of equity shares outstanding during the period is adjusted for event of further issue of shares.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

N Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



2. NOTES ON ACCOUNTS FOR YEAR ENDED MARCH 31, 2017

The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current period presentation:

2.1 SHARE CAPITAL

(Amount in Rs.)

Particulars	As at	
	March 31, 2017	March 31, 2016
Authorised Capital:		
50000 Equity Share of Rs.10/- each	5,00,000	5,00,000
Issued, Subscribed & Paid up:		
50000 Equity Shares of Rs 10/- each fully paid	5,00,000	5,00,000
	5,00,000	5,00,000

The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

The reconciliation of the number of outstanding shares as at 31st March 2017 and 31st March, 2016 is set out below:

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

2.2 RESERVES & SURPLUS

(Amount in Rs.)

Particulars	As at	
	March 31, 2017	March 31, 2016
Profit & Loss Account		
- Opening Balance	(93,952)	(39,992)
- Profit/(Loss) for current period	(7,61,626)	(53,960)
	(8,55,578)	(93,952)

2.3 LONG -TERM BORROWINGS

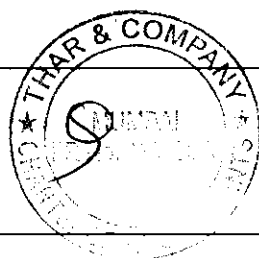
(Amount in Rs.)

Particulars	As at	
	March 31, 2017	March 31, 2016
Unsecured loan		
- From Others	1,61,31,11,911	1,45,58,77,176
	1,61,31,11,911	1,45,58,77,176

2.4 OTHER CURRENT LIABILITIES

(Amount in Rs.)

Particulars	As at	
	March 31, 2017	March 31, 2016
Statutory Dues		
- TDS on interest Payable	1,74,70,526	1,57,67,623
Expenses Payable	28,750	28,500
	1,74,99,276	1,57,96,123



2.5 NON CURRENT INVESTMENTS

(Amount in Rs.)

Particulars	As at		As at	
	March 31, 2017		March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Unquoted Preference Shares				
Wadhawan Realtors Pvt Ltd	18,362	22,44,58,445	18,362	22,44,58,445
Hariom Concast And Steels Pvt. Ltd.	24,80,000	2,48,00,000	24,80,000	2,48,00,000
	24,98,362	24,92,58,445	24,98,362	24,92,58,445

2.6 LONG TERM LOANS & ADVANCES

(Amount in Rs.)

Particulars	As at	
	March 31, 2017	March 31, 2016
	Amount	Amount
Unsecured Loans, Considered Good		
- Long Terms loans & Advances	95,17,43,826	96,82,81,000
	95,17,43,826	96,82,81,000

2.7 OTHER NON CURRENT ASSETS

(Amount in Rs.)

Particulars	Non Current Portion		Current Portion	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	- Expenses Pending For Appropriation	42,90,86,176	25,43,80,915	-
	42,90,86,176	25,43,80,915	-	-

2.8 CASH & CASH EQUIVALENTS

(Amount in Rs.)

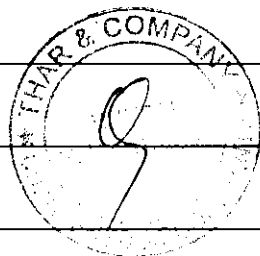
Particulars	As at	
	March 31, 2017	March 31, 2016
	Cash in hand	10,088
Balances with scheduled banks		
- In current accounts	1,57,074	1,56,854
	1,67,162	1,58,987

(Amount in Rs.)

Particulars	As at	
	March 31, 2017	March 31, 2016
	In current account	
- Axis Bank Ltd., Turner Road	68,951	58,732
- Union Bank of India, Khar Branch	88,123	98,122
	1,57,074	1,56,854

2.9 FINANCE COST

Particulars	For the year ended on	
	March 31, 2017	March 31, 2016
	Bank Charges	2,278
	2,278	-



2.10 OTHER EXPENSES

Particulars	For the year ended on	
	March 31, 2017	March 31, 2016
Statutory Audit Fees	28,750	28,500
Fees Rates & Taxes	2,500	4,700
Interest on Tds	7,09,543	-
Misc. Expenses	18,555	10,650
	7,59,348	43,850

2.11 SPECIFIED BANK NOTES DISCLOSURE

In accordance with the Notification No. G.S.R. 308(E) issued by the Ministry of Corporate Affairs dated 30th March, 2017, the details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 is provided below :

Particulars	SBN	Other Denominations	Total
Closing Cash in hand as on 8th November, 2016	2,000	88	2,088
Add : Permitted Receipts	-	-	-
Less : Permitted Payments	-	-	-
Less : Amount deposited in Banks	2,000	-	2,000
Add : Withdrawn from Bank	-	10,000	10,000
Closing Cash in hand as on 30th December, 2016	-	10,088	10,088

As per report of even date attached.

For **Thar & Co.**

Chartered Accountants

FRN:110958W

Vivek J. Thar

CA Vivek J. Thar

(Partner)

M. No. 154812

Place : Mumbai

Date : 1st September 2017



For **Emergence Realtors Pvt. Ltd.**

Nadarajan Ramani

Nadarajan Ramani

Director

DIN:06847516

Shivaji Bate

Shivaji Bate

Director

DIN:07017230