

**R. M. AJGAONKAR & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**AUDITED ANNUAL REPORT**

**FINANCIAL YEAR 2014-2015**

**WALKWATER PROPERTIES PRIVATE LIMITED**

# **INDEPENDENT AUDITORS' REPORT**

## **To the Members of Walkwater Properties Private Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Walkwater Properties Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and the Cash Flow Statement 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 in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 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

### **Auditors' 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 control system over financial reporting and the operating effectiveness of such controls. 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 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 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.

### **Emphasis of Matters**

We draw attention to Clause 17 of Note No 14 (Other Notes to Financial Statements) to the financial statements stating that the Company has accumulated losses and its net worth has been eroded. The Company has incurred net cash losses during the current year, and the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions normally indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

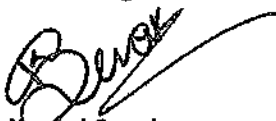
Our opinion is not modified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' 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.
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. 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 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. In our opinion, the going concern matter stated under the 'Emphasis of Matters' paragraph above may have an adverse effect on the functioning of the Company.
- f. On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- 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:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For R. M. Ajgaonkar & Associates**  
Chartered Accountants  
Firm's Registration Number: 117247W

  
**Kamal Sevak**  
Partner  
Membership Number: 143685



Place: Mumbai  
Date: 27<sup>th</sup> May, 2015

## ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of Walkwater Properties Private Limited on the financial statements for the year ended 31<sup>st</sup> March, 2015, we report that:

- 1)
  - (a) The Company has maintained proper records showing full particulars, including the quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regards to the nature of the assets. We are informed that there was destruction of certain fixed assets due to fire in the building occupied by the Company, wherein a part of the fixed assets namely furniture & fixtures and office equipments were damaged/destroyed. We are informed that relevant claim is being lodged before the Insurance Company. Certain losses based on WDV of assets full destroyed have been provided. However, no credit of the insurance claim is taken into the accounts pending acceptance by the Insurance Company. Pending the finalisation of insurance claim, the discrepancy due to the destruction or damage by fire is not fully dealt with in the books of accounts.
- 2) The Company does not own any finished goods, stores, spare parts or raw material during the year. Therefore, the provisions of paragraph 3(ii) of the Order are not applicable to the Company.
- 3) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- 4) 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 nature of its business for purchase and sale of fixed assets. We have not observed any continuing failure to correct any weakness in internal control system.
- 5) As per the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Therefore the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- 6) According to the information and explanations given to us, the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under section 148 (1) of the Companies Act, 2013, are not applicable to the Company.
- 7)
  - (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities, wherever applicable. As per the information and explanations given to us, there are no undisputed arrears of statutory dues which are outstanding as at the last day of the concerned financial year for more than six months from the date they become payable.
  - (b) According to the information and explanations given to us, there are no disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess outstanding as at the last day of the financial year.
  - (c) According to the information and explanations given to us and based on the documents and records examined by us, the Company was not required to transfer any amount to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956.
- 8) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the company has incurred cash losses in the financial year, but it has not incurred any cash losses in the immediately preceding financial year.

- 9) According to the information and explanations given to us and based on the documents and records examined by us, in our opinion, the Company has not defaulted in repayment of loans due to financial institutions, banks and debenture holders.
- 10) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of paragraph 3(x) of the Order are not applicable to the Company.
- 11) The Company has not taken any term loan during the year. Therefore, the provisions of paragraph 3(xi) of the Order are not applicable to the Company.
- 12) According to information and explanations given by the management and based on audit procedures performed by us, we report that, no fraud on or by the Company has been noticed or reported during the course of our Audit.

**For R. M. Ajgaonkar & Associates**

Chartered Accountants

Firm Registration No.117247W



**Komal Sevak**

Partner

Membership No. 143685

Place: Mumbai

Date: 27<sup>th</sup> May, 2015



**WALKWATER PROPERTIES PRIVATE LIMITED**


**BALANCE SHEET AS AT 31ST MARCH, 2015**

(in Rs.)

PARTICULARS	Note	As at	
		31st March, 2015	31st March, 2014
<b>I] EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	1	4,150,000	100,000
b) Reserves and Surplus	2	(13,975,943)	(9,515,950)
		(9,825,943)	(9,415,950)
<b>2) Current Liabilities</b>			
a) Short Term Borrowings	3	5,400,000	5,400,000
b) Other Current Liabilities	4	64,098,316	24,156,122
		69,498,316	29,556,122
<b>TOTAL</b>		<b>59,672,373</b>	<b>20,140,172</b>
<b>II] ASSETS</b>			
<b>1) Non Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	5	3,699,858	7,614,675
		3,699,858	7,614,675
<b>2) Current Assets</b>			
a) Current Investment	6	5,700,000	-
b) Cash and Bank Balances	7	275,462	226,850
c) Short Term Loans And Advances	8	3,275,973	12,298,647
d) Other Current Assets	9	46,721,080	-
		55,972,515	12,525,497
<b>TOTAL</b>		<b>59,672,373</b>	<b>20,140,172</b>
Significant Accounting Policies	13		
Other Notes to Financial Statements	14		

The Significant Accounting Policies and Notes referred to above form an integral part of Financial Statements.

As per our report of even date  
**For R.M. Aijaonkar & Associates**  
 Chartered Accountants  
 Firm Regn.No. 117247W

  
**Komal Sevak**  
 Partner  
 Membership No: 143685



Place: Mumbai  
 Date: 27th May, 2015

For and on behalf of the Board of Directors of  
**Walkwater Properties Private Limited**

  
 Director

  
 Director

Place: Mumbai  
 Date: 27th May, 2015



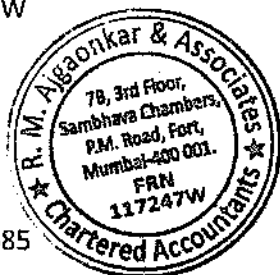
**WALKWATER PROPERTIES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH , 2015**

(in Rs.)

PARTICULARS	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>REVENUE</b>			
Revenue from Operations	10	-	5,400,000
Other Income	11	37,800	295
<b>Total Revenue</b>		<b>37,800</b>	<b>5,400,295</b>
<b>EXPENSES</b>			
Depreciation and Amortisation Expense		2,229,433	1,584,720
Other Expenses	12	976,224	31,845
<b>Total Expenses</b>		<b>3,205,656</b>	<b>1,616,565</b>
<b>Profit / (Loss) Before Tax</b>		<b>(3,167,856)</b>	<b>3,783,730</b>
Current Tax		-	641,236
Deferred Tax		-	-
MAT Credit Entitlement		-	(289,213)
<b>Profit / (Loss) After Tax</b>		<b>(3,167,856)</b>	<b>3,431,707</b>
Earnings per equity share	14(7)		
Nominal value per equity share : Rs.10/-			
Basic		(14.13)	343.17
Diluted		(14.13)	343.17
Significant Accounting Policies	13		
Other Notes to Financial Statements	14		

The Significant Accounting Policies and Notes referred to above form an integral part of Financial Statements.

As per our report of even date  
**For R.M. Aijaonkar & Associates**  
Chartered Accountants  
Firm Regn.No. 117247W



**Komal Sevak**  
Partner  
Membership No: 143685

Place: Mumbai  
Date: 27th May, 2015

For and on behalf of the Board of Directors of  
**Walkwater Properties Private Limited**

Director

Director

Place: Mumbai  
Date: 27th May, 2015





**WALKWATER PROPERTIES PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015**

(in Rs.)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) profit before tax and extraordinary items [A]	(3,167,856)	3,783,730
Adjustment for:		
Depreciation	2,229,433	1,584,720
Sundry Balance w/off	393,248	-
Total Adjustment [B]	2,622,681	1,584,720
Operating profit before working capital changes [C=A+B]	(545,176)	5,368,450
Adjustment for changes in working capital :		
(Increase) / Decrease in Other Receivables	(45,219,076)	-
Increase / (Decrease) in Trade and Other Payables	39,942,194	6,870,691
Total [D]	(5,276,882)	6,870,691
Cash generated from operations [E=C+D]	(5,822,058)	12,239,141
Taxes (Paid) / Received (Net of TDS) [F]	-	(540,000)
Net cash from operating activities before extraordin. [G=E+F]	(5,822,058)	11,699,141
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Advance to related party	-	(11,570,670)
Repayment of advance by related party	11,570,670	-
Investment in Mutual Fund	(5,700,000)	-
Net cash used in Investing activities [H]	5,870,669	(11,570,670)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities [I]	-	-
Net Increase / (Decrease) in Cash & Cash equivalent: [J=G+H+I]	48,611	128,471
Cash and cash equivalents - Opening	226,850	98,379
Cash and cash equivalents - Closing	275,462	226,850
<b>Cash and cash equivalents comprise :</b>		
Cash in hand	9,387	4,870
Balance with banks	266,075	221,980
<b>Total cash and cash equivalents</b>	<b>275,462</b>	<b>226,850</b>

As per our report of even date  
**For R.M. Ajgaonkar & Associates**  
Chartered Accountants

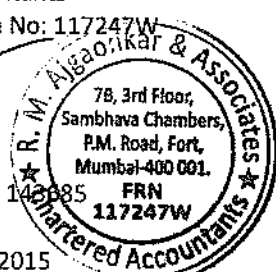
Firm Registration No: 117247W

  
**Komal Sevak**  
Partner

Membership No: 142885

Place : Mumbai


Date: 27th May, 2015



For and on behalf of the Board of Directors of  
**Walkwater Properties Private Limited**



Director



Director

Place : Mumbai

Date: 27th May, 2015



**WALKWATER PROPERTIES PRIVATE LIMITED**

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

**Note No. 1 : Share Capital**

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b> Equity Shares of Rs. 10/- each	1,000,000	10,000,000	10,000	100,000
<b>Issued, Subscribed and Paid-up</b> Equity Shares of Rs. 10/- each, fully paid up (Out of these shares, 4,05,000 shares are issued for consideration other than cash)	415,000	4,150,000	10,000	100,000
<b>Total</b>	415,000	4,150,000	10,000	100,000

Refer Other Note 14(12)

**(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:**

Particulars	Number	Amount in Rs.	Number	Amount in Rs.
<b>Equity Shares</b> At the beginning of the period	10,000	100,000	10,000	100,000
Add: Shares issued during the period	405,000	4,050,000	-	-
Less: Shares bought back during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	415,000	4,150,000	10,000	100,000

**(b) Names of Shareholders holding more than 5% shares :**

Name of Shareholders	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Ms. Aarti Shetty	-	-	5,000	50
Mrs. Pooja Deora	-	-	5,000	50
M/s Adlabs Entertainment Limited (Holding Company)	415,000	100	-	-

**(c) Rights, Preferences and Restrictions attached to each class of shares:**

The Company has only one class of equity shares with a face value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



**WALKWATER PROPERTIES PRIVATE LIMITED**

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

**Note No. 2 : Reserves And Surplus**

(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
As per last Balance Sheet	(9,515,950)	(12,947,656)
Add/ (Less) Adjustment on account of depreciation	(1,292,137)	-
Add: Profit / (Loss) for the year	(3,167,856)	3,431,707
<b>Net Deficit in the Statement of Profit and Loss</b>	<b>(13,975,943)</b>	<b>(9,515,950)</b>

**Note No. 3 : Short Term Borrowings**

(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Unsecured</b>		
Security Deposit from a related party	5,400,000	5,400,000
<b>Total</b>	<b>5,400,000</b>	<b>5,400,000</b>

**Note No. 4 : Other Current Liabilities**

(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Advance received from		
- Related party	1,381,860	1,111,414
Other payables		
- Liability for expenses	1,197,819	44,708
- From other (Advance for project)	11,500,000	23,000,000
Deposit for project	50,000,000	-
Statutory dues	18,637	-
<b>Total</b>	<b>64,098,316</b>	<b>24,156,122</b>

**Note No. 6 : Current Investment**

(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Unquoted, Non-trade</b>		
<b>Investment in Mutual Fund</b>		
Baroda Pioneer Liquid Fund Units	5,700,000	-
No. of units 3,585.825 ; Face Value Rs.10/- per unit ( Market value as on 31.03.2015 is Rs. 57,56,192/- )		
<b>Total</b>	<b>5,700,000</b>	<b>-</b>

**Note No. 7 : Cash and Bank Balances**

(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Cash and Cash Equivalents</b>		
Balances with Bank	266,075	221,980
Cash on Hand	9,387	4,870
<b>Total</b>	<b>275,462</b>	<b>226,850</b>



**WALKWATER PROPERTIES PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2015**

**Note No. 5 : Fixed Assets**

Particulars of Assets	Gross Block				Accumulated Depreciation			Net Block		
	As at 1.4.2014	Additions	Deletions	As at 31.03.2015	As at 1.4.2014	For the period	Addition / Adjustment	Deletion/ Write Off	As at 31.03.2015	As at 31.03.2014
<u>Tangible Assets</u>										
Furniture and Fixtures	19,463,873	-	1,546,648	17,917,226	13,500,521	2,066,940	-	1,153,400	3,503,164	5,963,352
Office Equipments	3,933,901	-	-	3,933,901	2,282,578	162,492	1,292,137	-	196,694	1,651,323
<b>Total</b>	<b>23,397,774</b>	<b>-</b>	<b>1,546,648</b>	<b>21,851,127</b>	<b>15,783,099</b>	<b>2,229,433</b>	<b>1,292,137</b>	<b>1,153,400</b>	<b>3,699,858</b>	<b>7,614,675</b>
Previous year	23,397,774	-	-	23,397,774	14,198,378	1,584,720	-	-	7,614,675	9,199,396

The Adjustment of Rs. 12,92,137/- in Accumulated Depreciation is on account of change in useful life of Office Equipments as per Schedule II of The Companies Act, 2013. The corresponding effect is debited to Reserves and Surplus as per the requirement of The Companies Act, 2013

During the period under report, a fire had occurred at the premises occupied by the Company, in which some of the office equipments and furniture & fixtures of the Company were destroyed. Consequently, these office equipments and furniture & fixtures have been written off in the books of accounts of the Company.



**WALKWATER PROPERTIES PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2015****Note No. 8 : Short Term Loans And Advances**

(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>(Unsecured, Considered Good)</b>		
Advances to a related party	-	11,570,670
Advance Tax (Net of provision)	-	438,764
MAT Credit Entitlement	289,213	289,213
Prepaid Expenses	2,986,760	-
<b>Total</b>	<b>3,275,973</b>	<b>12,298,647</b>

**Note No. 9 : Other Current Assets**

(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Other (Stamp Duty and Expenses for purchase of land) [Refer Other Note 14(13)]	46,721,080	-
<b>Total</b>	<b>46,721,080</b>	<b>-</b>

**Note No. 10 : Revenue from Operations**

(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Other Operating Revenue</b>		
Rent Income	-	5,400,000
<b>Total</b>	<b>-</b>	<b>5,400,000</b>

**Note No. 11 : Other Income**

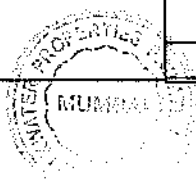
(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest on Income Tax Refund	37,800	-
Balances w/off	-	295
<b>Total</b>	<b>37,800</b>	<b>295</b>

**Note No. 12 : Other Expenses**

(in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Auditors Remuneration	56,180	11,236
Legal Expenses	40,474	1,240
Rates & Taxes	236,260	2,500
Repairs and Maintenance	14,193	-
Other Expenses	11,187	16,869
Director Sitting Fees	140,450	-
Loss of fixed assets due to fire	393,248	-
Professional Fees	28,090	-
Insurance	55,918	-
Bank Charges	224	-
<b>Total</b>	<b>976,224</b>	<b>31,845</b>



## **WALKWATER PROPERTIES PRIVATE LIMITED**

### **NOTE NO. 13**

### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2015**

#### **NATURE OF BUSINESS:**

Walkwater Properties Private Limited is a Private Limited Company engaged in the business of developing real estate and leasing of properties.

#### **SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation of financial statements:**

The financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 2013. They are prepared in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and other relevant provisions to the extent applicable.

**2. Use of Estimates:**

The presentation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

**3. Revenue Recognition :**

Revenue from operations is recognised on accrual basis.

**4. Fixed Assets:**

Fixed Assets are stated at cost of acquisition, net of recoverable taxes including any cost attributable for bringing the asset to its working condition for its intended use and include amount added on revaluation, less accumulated depreciation and impairment losses, if any.

**5. Depreciation :**

Depreciation on fixed assets is provided on Written down value Method in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on assets put to use/sold during the year is charged proportionately.

**6. Impairment of Assets:**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any such indication exists, then recoverable amount of the asset is estimated. An impairment loss, if any, is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

The impairment loss recognised in prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.



**7. Investments :**

Current Investments are stated at lower of Cost and Fair Value. Long Term Investments are stated at Cost. Provision for diminution in value of such investments is made only if such a decline is other than temporary.

**8. Borrowing Cost :**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

**9. Earnings per share :**

The basic earnings per share is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

**10. Leased Assets:**

Operating Lease:

Assets given on Operating Lease are included in fixed assets. Lease Income is recognised in the Statement of Profit and Loss on straight line basis over the term of the lease.

**11. Taxes on Income:**

a) Current Tax:

Provision for Current Income Tax is made on the estimated taxable income using the applicable tax rates and tax laws.

b) Deferred Tax:

Deferred Tax arising on the timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax asset is not recognised unless there is a virtual certainty as regards to the reversal of the same in future years.

**12. Provisions and Contingencies:**

a) A provision is recognized when there is present obligation as a result of past event and 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 reviewed at each balance sheet date and adjusted to reflect the current best estimate.

b) A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

c) Contingent assets are neither recognised nor disclosed in the financial statement.



## WALKWATER PROPERTIES PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015

### NOTE NO. 14: OTHER NOTES TO FINANCIAL STATEMENTS

1. Contingent Liabilities Rs. Nil/- (P.Y. Rs. Nil/-)
2. Capital Commitment not provided for - Rs.1,33,12,80,384/- ( P.Y. Rs. Nil/-)
3. **Auditors' Remuneration:**

*(In Rs.)*

Particulars	2014-15	2013-14
Statutory Audit Fees	50,000	10,000
Service Tax	6,180	1,236
<b>Total</b>	<b>56,180</b>	<b>11,236</b>

4. Earnings and Expenditure in foreign currency: Rs. Nil. (P.Y. Rs. Nil).
5. **Deferred tax Asset/ (Liability):**

*(In Rs.)*

Particulars	Deferred Tax Asset/ (Liability) as on 01.04.2014	Charge during the year	Deferred Tax Asset/ (Liability) as on 31.03.2015
On account of difference in depreciation as per books of account and Income Tax Act, 1961	21,45,406	7,30,679	28,76,086
On account of Unabsorbed Business Loss	-	2,15,829	2,15,829
On account of Unabsorbed Depreciation	-	4,78,999	4,78,999
<b>TOTAL</b>	<b>21,45,406</b>	<b>14,25,508</b>	<b>35,70,914</b>

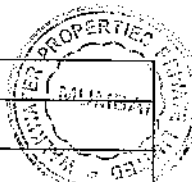
In the light of uncertainty of future profits, the company has not recognized deferred tax asset in the current financial year.

### 6. **Related Party Disclosure:**

Related party disclosures as required by Accounting Standard 18, "Related party Disclosures" are given below:

#### i. Relationship (During the year):

	Name of the party	Relation
1	a. Adlabs Entertainment Limited	Holding Company
	b. Thrill Park Limited	Parent Company of the Holding Company





2.		<b>Key Management personnel</b>	
	a.	Ms. Aarti Shetty	Director (Resigned on 11/09/2014)
	b.	Mrs. Pooja Deora	Director (Resigned on 11/09/2014)
	c.	Mr. Manmohan Shetty	Chairman & Managing Director of Holding Company
	d.	Mr. Kapil Bagla	Whole-time Director (Appointed on 11/09/2014)
	e.	Ms. Anjali Seth	Director (Appointed on 11/09/2014) and an Independent Director in the Holding Company
	f.	Mr. Prashant Purker	Additional Director (Appointed on 31/10/2014)
3.		<b>Enterprise in which Key Management Personnel has significant influence</b>	
	a.	Swapnajyoti Trading Private Limited	Director is a Director in the related party

ii. The following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Particulars	Type of Relationship	(In Rs.)	
			2014-15 Amount (Rs.)	2013-14 Amount (Rs.)
	<b>Transactions</b>			
1	Share Capital Issued	1.a	40,50,000	-
2	Transfer of Project Work	1.a	40,50,000	-
3	Rent Amount Received(Gross)	1.a	-	60,67,440
4	Amount Received in advance	1.a	2,70,446	14,00,000
5	Loan Taken	2.c.	1,54,87,580	1,04,37,631
6	Loan Repaid	2.c	39,16,910	3,53,66,316
7	Director's Sitting Fees	2.e.	1,00,000	-
8	Director's Sitting Fees	2.f.	25,000	-
	<b>Balances Outstanding</b>			
8	Creditor (Current A/c balance)	1.a	13,81,860	11,11,414
9	Deposit	1.a.	54,00,000	54,00,000
10	Unsecured Loan Taken/(Given)	2.c	-	(1,15,70,670)

#### 7. Earnings Per Share (EPS):

Particulars		2014-15	2013-14
Profit / (Loss) after tax	Rs.	(31,67,856)	34,31,707
Number of shares issued during the year	Nos.	4,05,000	Nil
Number of shares at the end of the year	Nos.	4,15,000	10,000
Weighted Average Number of Shares	Nos.	2,24,151	10,000
Nominal value of Share	Rs.	10	10
Basic Earnings per Share	Rs.	(14.13)	343.17
Diluted Earnings per Share	Rs.	(14.13)	343.17




8. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year-end together with interest paid/payable under this Act has not been stated.
9. The Company did not have any employees during the year. Therefore, the provisions of AS-15 are not applicable to the Company.
10. The Company is operating in only one primary business segment of developing real estate and leasing of properties. As such, there are no separate reportable or identifiable business segments as defined by Accounting Standard – 17 “Segment Reporting.”
11. In the opinion of the Board of Directors, current assets, loans and advances are of values realisable in the ordinary course of business.
12. During the year, Adlabs Entertainment Limited acquired 100% shareholding of the Company from existing shareholders and thus from 20<sup>th</sup> September, 2014 the Company has become a 100% subsidiary of Adlabs Entertainment Limited. Further, the Company has allotted 4,05,000 equity shares of Rs. 10/- each to the Holding Company during the year.
13. The Company has executed a deed of conveyance on 29<sup>th</sup> September, 2014 to acquire 137.33 acres of land for a total consideration of Rs. 1,05,75,66,026/- (Rupees One hundred five crore seventy five lakhs sixty six thousand twenty six only) from its Holding Company M/s Adlabs Entertainment Limited, subject to various approvals and a no objection from the lenders of M/s Adlabs Entertainment Limited. After receipt of various permissions and NOCs from lenders, the said land will be reflected as an asset of the Company and corresponding credit will be given to the Holding Company.
14. The Company has further executed an agreement to sale on 7<sup>th</sup> November, 2014 to acquire 32.58 acres of land for a total consideration of Rs. 27,37,14,358/- (Rupees Twenty seven crore thirty seven lakhs fourteen thousand three hundred fifty eight only) from its Holding Company M/s Adlabs Entertainment Limited, subject to receipt of approval from the Directorate of Industries / Government of Maharashtra (“DIC”) and a no objection (NOCs) from the lenders of M/s Adlabs Entertainment Limited.
15. There was a major fire on 18<sup>th</sup> July, 2014 in the premises where the registered office and the assets of the Company were situated. The Company suffered damages to its Office Equipments and some part of Furniture and Fixtures. The Company has accordingly made appropriate deductions from the gross fixed assets and accumulated depreciation, to give effect to the loss sustained.
16. During the year, the Company has incurred expenses of Rs. 29,24,700/- towards repairs and maintenance of the assets damaged by the fire. These expenses will be recovered from the insurance claim being lodged. Accordingly, the said expenses have been treated as a prepaid expense and uncovered expenses, if any, will be charged to the profit and loss account based on the amount of claim sanctioned by the insurance company.



17. As on the Balance Sheet date, the net worth of the Company is eroded. The Company's current liabilities exceed the current assets and the Company incurred a net cash loss during the current year. During the year, the Company has acquired land and it intends to construct a housing complex for the purpose of sale. Considering business prospects of the Company and the financial support of the holding Company, the management is of the opinion that loss may be recouped in subsequent years. In light of above opinion, the accounts of the Company are prepared on going concern basis.
18. Previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary.
19. Figures are rounded off to nearest rupee.


As per our report of even date

For R. M. Ajgaonkar & Associates  
Chartered Accountants  
Firm Regn. No: 117247W

  
Komal Sevak  
Partner  
Membership No. 143685  
Place: Mumbai  
Date: 27<sup>th</sup> May, 2015



For and on behalf of the board of  
Walkwater Properties Private Limited

  
Director

  
Director

