



**II. R. AGARWAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS

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**Independent Auditor's Report to the Members of World City Development Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of World City Development Private Limited ("the Company") which comprise the Balance Sheet as at 31 March 2014 and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. No Statement of Profit & Loss of the Company for the year ended on that date has been prepared; (refer Note no. 8).

**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

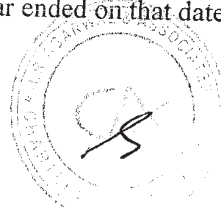
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014; and
- ii. in the case of the cash flow statement, of the cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have 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 appears from our examination of those books;
  - c. the Balance Sheet and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ;
  - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For H R Agarwal & Associates  
Chartered Accountants  
Firm's registration number: 323029E

*Shyam Sundar Agarwal*

(CA. Shyam Sundar Agarwal)

Partner

Membership number: FCA 060033



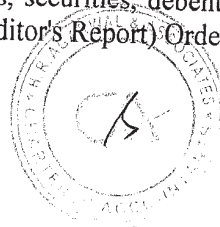
Place: Kolkata

Date: 23<sup>th</sup> May, 2014 .

## Annexure to Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading of "report on other legal and regulatory requirement" of our report to the members of World City Development Private Limited ("the Company") for the year ended 31 March 2014. We report that:

- i) Since the company is not having any fixed asset as on 31<sup>st</sup> March 2014 the clause 4(i)(a)(b)(c) of the said order are not applicable to the company.
- ii) (a) Since the company does not have any inventory the sub-clause (II) of the said Order are not applicable to the company.
- iii) (a) As informed to us, the company has neither granted nor taken any loans secured or unsecured to / from companies, firms or other parties, covered in the register maintained under section 301 of the Companies Act, 1956, hence the said order is not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchases of Inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) The Company has not entered into contracts or arrangements the particulars of which are required to be entered into the register in pursuance of Section 301 of the act.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposit from the public in pursuance to sections 58A and 58AA of the Companies Act, 1956.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) Provisions relating to maintenance of cost records as prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956, in our opinion are not applicable to the company.
- ix)
  - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth-tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Service Tax, Wealth-tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us, there are no dues of sales tax, income tax, service tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to a financial institution or bank or debenture holders.
- xii) In our opinion the Company has not granted loans & advances on the basis of securities by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



- xv) In our opinion and according to the information & explanations given to us, the company has not given any guarantees for loans taken by others.
- xvi) The company has not obtained any term loan during the Period.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to the parties & companies covered in the Register maintained u/s 301 of the Act during the year.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- xx) The Company has not raised any money by Public Issue during the Period.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **H R Agarwal & Associates**

*Chartered Accountants*

Firm's registration number: 323029E

*Sagarwal*

**(CA. Shyam Sundar Agarwal)**

*Partner*

Membership number: FCA 060033



Place: Kolkata

Date: 23<sup>th</sup> May, 2014

**WORLD CITY DEVELOPMENT PRIVATE LIMITED**

**Balance Sheet as at March 31, 2014**

	Note No.	<u>As at 31.03.2014 Amount (in Rs.)</u>	<u>As at 31.03.2013 Amount (in Rs.)</u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	2,197,000	2,197,000
Short Term Borrowings	3	17,433	
<b>Current Liabilities</b>			
Other Current liabilities	4	23,126	18,958
<b>Total</b>		<u><b>2,237,559</b></u>	<u><b>2,215,958</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capital work-in-progress	5	957,585	936,181
Long term loans and advances	6	1,250,000	1,250,000
Other non-current assets	7	1,359	-
<b>Current assets</b>			
Cash and cash equivalents	8	28,615	29,777
<b>Total</b>		<u><b>2,237,559</b></u>	<u><b>2,215,958</b></u>
<b>Summary of significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For H. R. Agarwal & Associates**

Chartered Accountants  
Firm Reg No :- 323029E

*Sagarwal.*

**(CA Shyam Sundar Agarwal)**

Partner

Membership No.FCA 060033

Date : 23.05.2014

Place : Kolkata



**For and on Behalf of the Board**

*[Signature]*

**Director**

*[Signature]*

**Director**

**WORLD CITY DEVELOPMENT PRIVATE LIMITED**  
**Cash Flow Statement Annexed to the Balance Sheet for the year ended 31.03.2014**

Particulars	Period Ended 31.03.2014 Amount (Rs.) Nil	Year Ended 31.03.2013 Amount (Rs.) Nil
<b>A. CASH FLOW OPERATING ACTIVITIES</b>		
Operating Profit Before Working Capital Changes		
Adjustments for:		
Increase / (Decrease) in Short Term Borrowings	17,433	-
Increase / (Decrease) in Other Current Liabilities	4,168	9,572
<b>Net Cash From Operating Activities</b>	<b>21,601</b>	<b>9,572</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Capital work in progress	(21,404)	(216,537)
Decrease in loans & advances	-	-
(Increase) / Decrease in Misc. Expenditure-Preliminary Expenses	(1,359)	187,220
Purchase of Fixed Assets	-	-
	<b>(22,763)</b>	<b>(29,317)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of Borrowings	-	-
Share Capital	-	-
<b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,162)</b>	<b>(19,745)</b>
Opening Cash and cash equivalents	29,777	49,522
Closing Cash and cash equivalents	28,615	29,777
<b>Closing Cash and cash equivalents as per Balance Sheet</b>	<b>28,615</b>	<b>29,777</b>

Note:

1 Figures in brackets denote cash outflow

The accompanying notes are an integral part of the financial statements

As per our report of even date

For H. R. Agarwal & Associates  
Chartered Accountants  
Firm Reg No :- 323029E

*Agarwal.*

(CA Shyam Sundar Agarwal)  
Partner  
Membership No.FCA 060033

Date : 23.05.2014  
Place : Kolkata



For and on Behalf of the Board

*Agarwal*  
Director

*Agarwal*  
Director



WORLD CITY DEVELOPMENT PRIVATE LIMITED

Notes to financial statements for the year ended 31st March, 2014

As At  
March 31, 2014  
(Rs.)

As At  
March 31, 2013  
(Rs.)

1) SIGNIFICANT ACCOUNTING POLICIES:

**Basis of Accounting**

The Company prepares its financial statements in accordance with generally accepted accounting practices and also in accordance with requirements of Companies Act, 1956.

**Revenue Recognition**

All expenses incurred up to the date of commercial operation are recognized as Capital work-in-progress.

**Contingent Liability**

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the balance sheet date and a reasonable estimate of the revenue loss can be made. However, all known material contingent liabilities are disclosed by way of separate note.

2) Share Capital

**Authorised :**

1,000,000 Equity Shares of Rs.10/- each	10,000,000	10,000,000
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**Issued, Subscribed & Paid-Up:**

2,19,700 Equity Shares of Rs.10/- each fully paid up share	2,197,000	2,197,000
	<b>2,197,000</b>	<b>2,197,000</b>

1) The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to have one vote per share. Dividend if any proposed by the Board of Directors is subject to approval of the share holders in the ensuing AGM.

2) Shares held by its holding company M/S Shristi Housing Development Ltd (SHDL), Shristi Infrastructure Development Corporation Limited being the ultimate holding company.	219,400	219,400
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3) Shareholder holding more than 5% of the total shares- SHDL	219,400	219,400
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3) Short term borrowings

Unsecured Loan		
Shristi Housing Development Ltd.	17,433	-
	<b>17,433</b>	<b>-</b>

4) Current Liabilities and Provisions

Sundry Creditors	20,101	15,933
Liability for Expenses	3,025	3,025
	<b>23,126</b>	<b>18,958</b>

5) Capital work-in-progress

Opening Balance	936,181	719,644
Add: Addition during the year	21,404	216,537
	<b>957,585</b>	<b>936,181</b>

6) Long term loans and advances

Unsecured and Considered good		
Capital Advance	1,250,000	1,250,000
	<b>1,250,000</b>	<b>1,250,000</b>

7) Other non-current assets

Preliminary Expenses.		
Service tax input	1,359	-
	<b>1,359</b>	<b>-</b>

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WORLD CITY DEVELOPMENT PRIVATE LIMITED

Notes to financial statements for the year ended 31st March, 2014

	As At March 31, 2014 (Rs.)	As At March 31, 2013 (Rs.)
<b>8) Cash and cash equivalents</b>		
Balances with Scheduled banks - in Current Accounts	26,239	26,239
Cash-in-hand	2,376	3,538
	<b>28,615</b>	<b>29,777</b>

9) The company is yet to commence the commercial operations, hence no Profit & Loss Account has been prepared.

10) The Company has not paid any Managerial remuneration to any of the Directors for the period.

11) Contingent liabilities : NIL

**12) Related Party Transactions**

As per the Accounting Standard – 18, issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions with them have been discussed below:

a. List of related parties & relationships, where control exists:

**Holding company of Reporting Enterprise :** Shristi Housing Development Limited.

b. Related parties & relationships with whom transactions have taken place during the year:

**Key Management Personnel** Mr. Shankar Mukherjee: Director  
Mr. Gautam Malik: Director

c. Transactions with Related parties

**Holding Company :**

Share Capital received NIL

13) The Company has identified real estate construction as its sole operating segment and the same has been treated as the primary segment. As such no separate segment information has been provided.

14) Since the company is not having any timing difference and permanent difference as prescribed under Accounting Standard – 22 issued by ICAI hence, provision of Deferred Tax is not required.

15) Previous year figures have been rearranged or regrouped wherever considered necessary.

As per our report of even date

For H. R. Agarwal & Associates  
Chartered Accountants  
Firm Reg No :- 323029E

*Sagarwal,*  
(CA Shyam Sundar Agarwal)  
Partner  
Membership No.FCA 060033

Date : 23.05.2014  
Place : Kolkata



For and on Behalf of the Board

*Shankar*  
Director

*Gautam Malik*  
Director