

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GURGAON INFOSPACE LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of GURGAON INFOSPACE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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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. 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 March 31, 2016 and its profit and its 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, 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 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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 A" and
- 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.

PLACE : NEW DELHI  
DATED : 30<sup>TH</sup> MAY, 2016



FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N

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(ABHEY DADU)  
PARTNER  
M.NO. 093313

**GURGAON INFOSPACE LIMITED**  
**ANNEXURE TO THE AUDITORS' REPORT**

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

1. a) The Company has maintained proper records of its Fixed Assets, showing full particulars including their quantitative detail and situation.  
b) The Management has, during the year, physically verified all the Fixed Assets in respect of which record is kept. No discrepancies were noticed on such verification.  
c) According to information and explanation given to us, the title deeds of Immovable Properties are held in the name of the company and the title deeds in respect of sub lease of Commercial Property at Noida is pending Registration.
2. The company does not hold any inventory. Therefore the provision of clause (ii) of paragraph 3 of the order is not applicable to the Company.
3. The company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The Company has complied with the provision of section 185 and 186 of the Companies Act, 2013 in respect of loan granted and investment made during the year.
5. According to the information and explanations given to us, the Company has not accepted deposit from the public within the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under
6. As far as we are aware, the Central Government has not specified the maintenance of cost records by the company under section 148(1) of the Companies Act, 2013.

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7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, cess and other statutory dues wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Sales Tax, Service Tax, customs duty, excise duty, value added Tax and cess were in arrears, as at 31.03.2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax and cess which have not been deposited on account of any dispute except Income Tax of Rs.79,92,780/- for the Assessment Year 2013-2014. Application of Rectification is pending before Assessing Officer, New Delhi.

8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year.
10. 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.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanation given to us, the transaction with Related Parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in Financial Statements etc, as required by the applicable accounting standards.
14. According to the information and explanation given to us, the Company has not made any Preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanation given to us, the Company has not entered into any non cash transaction with Director or persons connected with him during the year.
16. The Company is not required to be registered U/s 45 IA of Reserve Bank of India Act, 1934.

PLACE : NEW DELHI  
DATED : 30<sup>TH</sup> MAY, 2016



FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN.:001201N

A handwritten signature in black ink, appearing to read "Abhey Dadu".

(ABHEY DADU)  
PARTNER  
M.No.093313

**O.P.DADU & CO.**

**CHARTERED ACCOUNTANTS**

24/4834, ANSARI ROAD, DARYA GANJ,  
NEW DELHI-110002 PH. : 23275482, 23253645

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Gurgaon Infospace Limited ("the Company") as of 31, March 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". 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. Those 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.

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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.

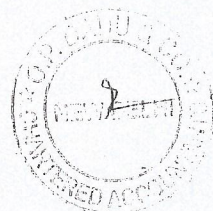
### **Meaning of Internal Financial Controls Over Financial Reporting**

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.

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### Opinion

In our opinion, 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 the Institute of Chartered Accountants of India".

FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N

PLACE : NEW DELHI  
DATED : 30<sup>TH</sup> MAY, 2016



A handwritten signature in dark ink, appearing to read "Abhey Dadu".

(ABHEY DADU)  
PARTNER  
M.No.093313

**GURGAON INFOSPACE LIMITED**  
BALANCE SHEET AS AT 31.03.2016

PARTICULARS	Note	As at 31 MARCH 2016	As at 31 MARCH 2015
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	2	10,000,000	10,000,000
(b) Reserves and surplus	3	2,867,449,888	2,235,661,806
2 Non-current liabilities			
(a) Other Long term liabilities		2,877,449,888	2,245,661,806
(b) Long term Provision	4	348,686,342	321,639,074
3 Current liabilities	5	859,606	743,172
(a) Other current liabilities		349,545,948	322,382,246
(b) Short Term provision	6	11,001,019	5,145,626
	7	3,495,365	1,306,441
		14,496,384	6,452,067
<b>TOTAL</b>		3,241,492,220	2,574,496,119
<b>II. ASSETS</b>			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	8	1,175,043,876	1,180,226,043
(b) Non-current investments	9	1,256,569,619	575,829,767
(c) Long Term Loans and Advances	10	575,779,081	629,811,153
2 Current assets			
(a) Trade Receivable		3,007,392,576	2,385,866,963
(b) Cash and cash equivalents	11	14,498,721	17,711,477
(c) Short-term loans and advances	12	14,907,454	6,296,167
(d) Other Current Assets	13	161,163,803	157,565,295
	14	43,529,666	7,056,217
		234,099,644	188,629,156
<b>TOTAL</b>		3,241,492,220	2,574,496,119

Accompanying notes forming parts of the financial statements.

As per Our Report of even date

For O.P.DADU & CO.

CHARTERED ACCOUNTANTS

FRN. 001201N

(ABHEY DADU)

PARTNER

M.No. 093313

PLACE: NEW DELHI

DATED: 30 MAY 2016

FOR AND ON BEHALF OF THE BOARD

*Sarla Gupta*

SARLA GUPTA

WHOLE TIME DIRECTOR

DIN No:00069053

*Mayur Gupta*

MAYUR GUPTA

DIRECTOR

DIN No:00131376

**GURGAON INFOSPACE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016**

PARTICULARS	Note	For the year ended 31st March 2016	For the year ended 31st March 2015
I. Revenue from operations		₹	₹
II. Other income	15	610,312,777	585,569,408
III. Total Revenue (I + II)	16	134,216,803	38,326,261
IV. Expenses:		744,529,580	623,895,669
Employee Benefit Expenses			
Depreciation & Amortized Expenses	17	9,844,767	10,794,711
Other expenses		5,182,167	5,182,167
Total expenses	18	50,094,476	21,756,133
V. Profit before tax (III- IV)		65,121,410	37,733,011
VI. Tax expense:		679,408,170	586,162,658
(1) Current tax			
Less: Mat Credit		139,500,000	122,800,000
(2) Earlier year Tax Adjustments		(91,200,000)	(96,900,000)
VII Profit after tax for the year (V-VI)		(679,912)	(334)
VIII Earnings per equity share:		631,788,082	560,262,992
(1) Basic			
(2) Diluted		6,317.88	5,602.63
		6,317.88	5,602.63

Accompanying notes forming parts of the financial statements.

As per Our Report of even date  
For O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N

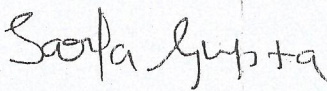
  
**(ABHEY DADU)**  
PARTNER  
M.No. 093313

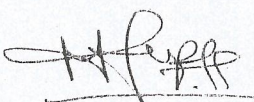


PLACE: NEW DELHI

DATED: 30 MAY 2016

FOR AND ON BEHALF OF THE BOARD

  
**SARLA GUPTA**  
WHOLE TIME DIRECTOR  
DIN No:00069053

  
**MAYUR GUPTA**  
DIRECTOR  
DIN No:00131376

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016		
PARTICULARS	2015-16	2014-15
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from Continuing operations	679,408,170	586,162,658
Adjustments For :		
Interest Received	(57,248,132)	(17,638,843)
Profit on Sale of Investment	(54,597,385)	(12,096,833)
Depreciation	5,182,167	5,182,167
Operating Profit before working Capital Changes	572,744,820	561,609,149
Movements in working capital:		
Increase/Decrease in other current Liabilities	5,855,393	1,284,101
Increase/Decrease in other Long Term Liabilities	27,047,268	6,743,341
Increase/Decrease in Trade Payable	-	-
Increase/Decrease in Long Term Provision	116,434	230,457
Increase/Decrease in short Term Provision	102,395	99,607
Increase/Decrease in Trade Receivables	3,212,756	(4,421,949)
Increase/Decrease in Other Current Assets	(36,473,449)	(5,485,039)
Increase/Decrease in Short Term Loan & Advance	(3,681,682)	(92,685,619)
Increase/Decrease in Long Term Loan & Advance	145,232,072	(11,642,882)
Cash Generated from Operating Activities	714,156,007	455,731,166
Less : Direct Tax Paid	(136,650,385)	(122,676,222)
Net Cash from Operating Activities (A)	577,505,622	333,054,944
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Adjustments for Changes in:		
Purchase of non current Investment	(1,907,431,465)	(494,808,799)
Sale of Non Current Investment	1,281,288,998	148,500,000
Interest Received	57,248,132	17,638,843
Purchase of Fixed Assets	-	-
Net Cash used in Investing Activities (B)	(568,894,335)	(328,669,956)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital	-	-
Share Application Money	-	-
Cash from Other financing Activities	-	-
Net Cash used in Financing Activities (C)	-	-
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		
Opening Balance of Cash and Cash equivalent	8,611,287	4,384,988
Closing Balance of Cash and Cash equivalent	6,296,167	1,911,179
	14,907,454	6,296,167

As per Our Report of even date  
For O.P.DADU & CO.

CHARTERED ACCOUNTANTS

FRN. 001201N

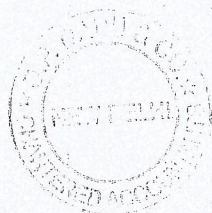
(ABHEY DADU)

PARTNER

M.No. 093313

PLACE: NEW DELHI

DATED: 30 MAY 2016



FOR AND ON BEHALF OF THE BOARD

Sarla Gupta

SARLA GUPTA  
WHOLE TIME DIRECTOR  
DIN No:00069053

MAYUR GUPTA

MAYUR GUPTA  
DIRECTOR  
DIN No:00131376

## Notes to Financial Statements

### Note 1: Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The significant accounting policies adopted in the presentation of the Accounts are as under:-

**a) Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**b) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**c) Income**

Income is accounted for on accrual basis.

**d) Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established

**e) Tangible and Intangible fixed assets**

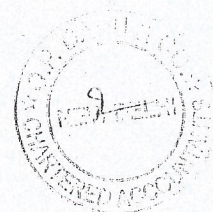
Tangible fixed assets are stated at cost less accumulated depreciation / amortization and impairment losses, if any. Cost includes expenses incidental to the acquisition/installation of assets. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Interest on loans to acquire qualifying assets is added to the cost of fixed assets in accordance with Accounting Standard 16 on "Borrowing Costs"

**f) Depreciation / Amortization**

'Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible/intangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.



**Notes to Financial Statements**  
**g) Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

**h) Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually

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

- i. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' as mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.
- ii. Contingent Liabilities are recognized and disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
- iii. Contingent assets are not recognized in the financial statements.

**j) Impairment of Assets**

The Company reviews the carrying value of its fixed assets for any possible impairment at each Balance Sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at an appropriate discount rate.



**Note 2: SHARE CAPITAL**

**Authorised**

2,00,000 Equity Shares of Rs.100/- each

**Issued**

1,00,000 Equity Shares of Rs. 100/- each

**Subscribed & Paid up**

1,00,000, Equity Shares of Rs.100/-each  
fully paid up

As at 31 March 2016	As at 31 March 2015
₹	₹
20,000,000	20,000,000
10,000,000	10,000,000
10,000,000	10,000,000
10,000,000	10,000,000

The Company has only one class of equity shares having a par value of Rs. 100/-per share.  
Each Holder of Equity shares is entitled to one vote per share.

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**  
**Equity Shares**

	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
At the beginning of the period	100,000	10,000,000	100,000	10,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the period	100,000	10,000,000	100,000	10,000,000

**Shares held by Holding Company**

IST LIMITED, the holding Company  
1,00,000 Equity shares of Rs.100/- each  
fully paid

As at 31 March 2016	As at 31 March 2015
Number	Number
100000	100000
100000	100000

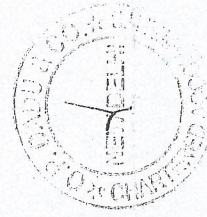
**Details of Shareholders holding more than 5 % in the company**

	As at 31 March 2016		As at 31 March 2015	
	Number	% Holding in the class	Number	% Holding in the class
Holding Company	1,00,000	100	1,00,000	100
IST Limited	1,00,000	100	1,00,000	100



Note 8: Fixed Assets

Particulars	Gross Block		Depreciation		Net Block	
	Cost As At 31.03.2015 ₹	Additions during the year ₹	As At 31.03.2016 ₹	For the year up to 31.03.2016 ₹	As At 31.03.2016 ₹	As At 31.03.2015 ₹
a						
Tangible Assets						
Free hold Land	1,110,015,550	-	1,110,015,550	-	1,110,015,550	1,110,015,550
b						
Building	32,432,245	-	32,432,245	513,017	30,369,338	30,882,355
c						
Machinery	8,052,000	-	8,052,000	521,426	6,555,423	7,076,849
d						
Furniture	40,431,710	-	40,431,710	4,102,630	27,976,643	32,079,273
e						
Office Equipments	221,773	-	221,773	45,094	94,851	172,016
Total	1,191,153,278	-	1,191,153,278	5,182,167	1,175,043,876	1,180,226,043
Previous Year	1,191,153,278	-	1,191,153,278	5,182,167	1,180,226,043	



	As at 31 March 2016	As at 31 March 2015
	₹	₹
<b>Note 3: Reserves &amp; Surplus</b>		
<b>Statement of surplus in Profit &amp; Loss Account</b>		
Opening balance	2,235,661,806	1,675,398,814
Add: Profit for the year	631,788,082	560,262,992
	<u>2,867,449,888</u>	<u>2,235,661,806</u>
<b>Note 4: Other Long Term Liabilities</b>		
Security Deposits	348,686,342	321,639,074
	<u>348,686,342</u>	<u>321,639,074</u>
<b>Note 5: Long Term Provision</b>		
Provision for employees benefit	859,606	743,172
	<u>859,606</u>	<u>743,172</u>
<b>Note 6: Other current Liabilities</b>		
Retention Money	-	1,140,578
Creditor for capital expenses	-	614,670
Others Liability Payable	9,101	139,492
Statutory Remittances	742,574	496,949
Bank overdraft	3,943,429	1,806,495
Expenses Payables :		
Directors	1,000	148,000
Others	6,304,915	799,442
	<u>11,001,019</u>	<u>5,145,626</u>
<b>Note 7: Short Term Provision</b>		
Provision for employees benefit	1,408,836	1,306,441
Provision for Taxes (Net of prepaid taxes)	2,086,529	-
	<u>3,495,365</u>	<u>1,306,441</u>

[Income tax provision are net on prepaid taxes of Rs 37,32,13,471 (Rs.31,68,83,174)]



# **NOTE 9 - NON CURRENT INVESTMENTS**

(valued at cost unless stated otherwise)

## **Quoted**

### **Investment in Bonds**

8255 7.51%, HUDCO 15 Years Tax-free Bond of Rs.1000 each

12491 7.28 %, NTPC 15 Years Tax-free Bond of Rs.1000 each

### **Investment in Debentures**

100,000 9.90% IFCI Secured, Redeemable, Non convertible  
Debentures of face value of Rs.1000/- each

## **Unquoted**

### **Investment in Bonds**

100 7 %, HUDCO 10 Years Tax-free Bond of Rs.10,00,000 each

205 7.07 %, HUDCO 10 Years Tax-free Bond of Rs.10,00,000 each

530 7.28 %, NHAI 15 Years Tax-free Bond of Rs.10,00,000 each

### **Other Investment in mutual fund**

10,995.573 (225,756) units of SBI PLF-Dir Plan Growth

### **Investment in Preference Shares**

#### **Related Parties**

3,59,000(Nil) 9% Non Cumulative, Non Convertible Redeemable Preference Shares  
of Vinayakinfra Developers P. Ltd. of face value of Rs.100/- each

4,50,000(Nil) 9% Non Cumulative, Non Convertible Redeemable Preference Shares  
of IST SOFTECH P. Ltd. of face value of Rs.100/- each

### **Investment in Immovable Property**

Sub Lease of commercial property at Noida  
(Pending Registration)

## **Note: Aggregate of Quoted Investments**

Cost

Market Value

## **Note 10: Long Term Loans and Advances**

(Unsecured, Considered good)

Capital Advances

Security Deposit

Others

MAT Credit Receivable

As at 31 March 2016	As at 31 March 2015
₹	₹

8,308,799	8,308,799
12,491,000	-
₹ 100,000,000	100,000,000

100,010,000	-
203,528,960	-
527,018,602	-
* 26,116,440	467,520,968

35,989,750

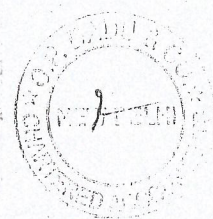
45,112,500

\* 197,993,568

1,256,569,619	575,829,767
120,799,799	108,308,799
127,849,340	112,002,650

158,546,324 306,502,096

2,723,700	-
414,509,057	323,309,057
575,779,081	629,811,153



2011/13

**Note 11: Trade Receivables**

(Unsecured, Considered good)  
More than 6 months  
Others

**Note 12: Cash and Cash equivalents**

Cash on hand  
Cheques, drafts on hand  
Balances with scheduled banks  
in current accounts  
Foreign Exchange in Hand

**Note 13: Short Term Loan & Advances**

(Unsecured, Considered good)  
Loans & Advances  
Related Party  
Others  
Advance against Contract  
Others  
Prepaid Taxes (Net of Provision)  
Other advances

**Note 14: Other Current Assets**

(Unsecured, Considered good)  
Interest Accrued but not due  
Other Receivables

<u>As at 31 March</u> <u>2016</u>	<u>As at 31 March</u> <u>2015</u>
₹	₹

936,938	1,123,893
13,561,783	16,587,584
<u>14,498,721</u>	<u>17,711,477</u>

60,040	33,083
<u>14,147,227</u>	<u>6,119,500</u>

700,187	143,584
<u>14,907,454</u>	<u>6,296,167</u>

32,612,048	
<u>118,551,755</u>	<u>157,481,621</u>

10,000,000	
-	83,174
-	500
<u>161,163,803</u>	<u>157,565,295</u>

35,055,900	3,354,954
8,473,766	3,701,263
<u>43,529,666</u>	<u>7,056,217</u>



**Note 15: Revenue from operation**  
Income From SEZ Operations

For the year ended 31st March 2016	For the year ended 31st March 2015
₹	₹
610,312,777	585,569,408
<b>610,312,777</b>	<b>585,569,408</b>

**Note 16: Other Income**

Interest Received on:

Related party -

Bank Deposit

Tax Free Bond

Others

Income from Assured Return

Profit on Sale of Mutual fund

Rent received

Sundry Debit/ Credit Balance adjusted

2,902,276	
10,073	
27,815,959	
26,519,824	17,638,843
12,337,544	8,590,585
54,597,385	12,096,833
4,085,550	
5,948,192	
<b>134,216,803</b>	<b>38,326,261</b>

**Note 17: Employee Benefit Expenses**

Directors Remuneration

Salary, Wages, Bonus etc.

Gratuity

Staff welfare Expenses

3,000,000	3,000,000
6,635,842	7,493,313
208,925	202,613
-	98,785
<b>9,844,767</b>	<b>10,794,711</b>

**Note 18: Other Expenses**

Advertisement Expenses

Travelling & Conveyance Expenses [including  
Directors Travelling Rs. 31,12,969 (21,41,169.86)]

Auditor Remuneration:

Audit Fee

Tax Audit

Tax Matter

Certification

Out of Pocket Expenses

Service Tax

Property Tax

Business Promotion Expenses

Security Service Charges

Postage & Courier Expenses

Rent Paid

Legal & Professional Expenses

Sundry Dr/Cr Balance written off

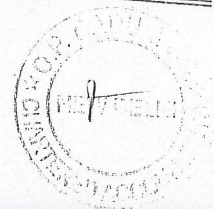
Previous Year Expenses

Brokerage & Commission

Claim Paid

Miscellaneous Expenses

200,000	200,000
4,413,231	2,580,707
130,000	130,000
50,000	50,000
80,000	120,000
10,000	10,000
12,000	-
41,680	38,316
25,293,930	-
147,833	955,382
-	66,300
12,847	10,705
-	1,800,000
1,911,368	680,705
-	772,943
3,566	45,934
13,174,927	12,345,335
4,398,489	1,706,582
214,605	243,224
<b>50,094,476</b>	<b>21,756,133</b>



Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
<b>(a) Contingent Liabilities</b>		
Against the Loan taken by Co-Developer (Unitech Developers and Projects Ltd.) from NBFC		
Income Tax Demand		6,204,802,399
<b>b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	7,992,780	
	17,556,028	67,220,880

**Note 20:** In view of accounting standard on "Accounting for retirement benefits in the Financial statement of Employer's issued by ICAI being mandatory, the company has made provision for gratuity & Leave encashment on actuarial valuation.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial

Particulars	Year ended 31 March, 2016		Year ended 31 March, 2015	
	Gratuity	Earned Leave	Gratuity	Earned Leave
<b>Components of employer's expense</b>				
Current service cost				
Interest cost	216,578	201,630	220,290	268,030
Expected return on plan assets	88,599	70,246	79,951	66,211
Curtailment cost / (credit)				
Settlement cost / (credit)				
Past service cost				
Actuarial losses/(gains)	(96,252)	(201,314)	(97,628)	145,573
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>208,925</b>	<b>70,562</b>	<b>202,613</b>	<b>479,814</b>
<b>Actual contribution and benefit payments for the year</b>				
Actual benefit payments		(60,658)		(352,363)
Actual contributions				
<b>Net asset / (liability) recognised in the Balance Sheet</b>				
Present value of defined benefit obligation	1,352,139	916,303	1,143,214	906,399
Fair value of plan assets	(1,352,139)	(916,303)	(1,143,214)	(906,399)
Funded status [Surplus / (Deficit)]				
Unrecognised past service costs				
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(1,352,139)</b>	<b>(916,303)</b>	<b>(1,143,214)</b>	<b>(906,399)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>				
Present value of DBO at beginning of the year	1,143,214	906,399	940,601	778,948
Current service cost	216,578	201,630	220,290	268,030
Interest cost	88,599	70,246	79,951	66,211
Curtailment cost / (credit)				
Settlement cost / (credit)				
Plan amendments				
Acquisitions				
Actuarial (gains) / losses	(96,252)	(201,314)	(97,628)	145,573
Past service cost				
Benefits paid		(60,658)		(352,363)
<b>Present value of DBO at the end of the year</b>	<b>1,352,139</b>	<b>916,303</b>	<b>1,143,214</b>	<b>906,399</b>
<b>Actuarial assumptions</b>				
Discount rate	8.00	8.00	7.75	7.75
Salary escalation	6.00	6.00	6.00	6.00
Estimate of amount of contribution in the immediate next year	191,814	140,505	181,467	142,411

**Note 21:** Previous year's expenses/income aggregate Rs.3566/ Rs.Nil respectively (Previous year Rs.45,934/ Rs Nil.)

**Note 22:** The Company is wholly owned subsidiary Company of M/s. IST Limited.



The Company has entered into various operating lease arrangements for building situated in SEZ area.

Future minimum lease receipts  
not later than one year

later than one year and not later than five years

Rents recognised as income during the year

Depreciation recognised on the leased assets

Accumulated depreciation on the leased assets

#### As Lessee

The Company has entered into operating lease arrangements for guest house. The leases are renewable on a periodic basis cancellable at its option.

Future minimum lease payments

not later than one year

later than one year and not later than five years

later than five years

Lease payments recognised in the Statement of Profit and Loss

697,300,000  
(569,500,000)  
2,918,200,000  
(2,481,500,000)  
583,774,921  
(568,681,716)  
5,182,167  
(5,182,167)  
16,109,402  
(10,927,235)

Nil  
Nil  
Nil

(1,800,000)

Income received Rs.61,03,33,357 /- ( Rs. 58,55,69,408/-) from SEZ operation during the year on the assets cost Rs.1,19,11,53,278 (Rs.1,19,11,53,278),WDV Rs.1,17,50,43,876 (Rs.1,18,02,26,043) and Depreciation of Rs.51,82,167 (Rs.51,82,167).

#### Expenditure

The company has operating lease for guest house that is renewable on a periodic basis cancellable at its option. Rental expenses for operating lease recognised in the profit and loss account for the year is Rs.Nil (Previous year is Rs.18,00,000)

**Note 24:** Based on information available with the Company, there are no dues to micro, Small and Medium Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2016

#### Note 25: Earning Per Share

Particulars	As at 31 March 2016	As at 31 March 2015
Profit after Tax	₹ 631,788,082	₹ 560,262,992
Weighted average number of shares	100,000	100,000
Nominal value of share (Rupees)	100	100
Basic and Diluted earning per Share (Rupees)	6,317.88	5,602.63

#### Note 26: Deferred Tax

The Company has not recognized a deferred tax assets/liability, keeping in view the 100% deduction of the profit from SEZ business u/s 80IAB of Income Tax Act, for ten years i.e. up to Assessment Year 2018-2019.

#### Note 27: Related Party Transactions

Description of relationship	Names of related parties
(i) Holding	M/s IST Limited
(ii) Key Management Personnel (KMP)	Mrs. Sarla Gupta
(iii) Relatives of KMP	Mr. Gaurav Gupta, Mrs. Shweta Gupta and Mrs. Priyanka Gupta
(iv) Entities in which KMP / Relatives of KMP can exercise significant influence	Delight Softech Pvt. Ltd., Eastern India Power & Mining Pvt. Ltd. IST Softech Pvt. Ltd., Vinayakinfra Developers Pvt. Ltd.



Particulars	Key Management Personnel	Relatives of KMP	Entities in which KMP can exercise significant influence
<u>During the year ending 31st March, 2016</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Remuneration	3,000,000	4,800,000	-
Rent paid	(3,000,000)	(4,800,000)	-
Purchase of Investment	-	-	(1,800,000)
Interest received	-	-	81,102,250
Outstanding Balance as on 31st March, 2016	-	-	2,902,276
Amount Payable	1,000	332,743	-
Loans Given	(148,000)	(179,720)	-
Investment in preference Shares	-	-	32,612,048
			81,102,250

**Note 28: Segment Reporting**

The Company Operates in only one operational segment viz. SEZ Developer and one Geographical Segment viz. India.

**Note 29: Expenditure in Foreign Currency**

Overseas Travelling Rs.6,72,643 (3,55,968)

Note 30: The property Tax in respect of SEZ at Gurgaon was determined and settled during the financial Year 2015-16 by the concerned authorities -Municipal Corporation Gurgaon under Haryana Government Notification No.14/06/2015-3CII dated 26th June, 2015. The property tax charged to the statement of profit and loss account consist of property tax for the period from 2006-07 to 2015-16.

Note 31: The Company has exercised its options to claim deduction u/s 80IAB of the Income Tax Act 1961 w.e.f. Assessment Year 2009-2010 in respect of the profit derived by the company from the business of developing SEZ Act, 2005.

Note 32: The Company has received approval dated 19<sup>th</sup> June, 2007 from Department of Commerce (SEZ Section), Ministry of Commerce & Industry, Government of India for the Development, operation and maintenance of the sector specific Special Economic Zone for IT/ITES on its Land. The company is nearing completion of development of Special Economic Zone along with the Unitech Developers and Projects Limited in terms of Co-Development agreement dated 17-09/2007 in terms of which receipts shall be shared between the parties in 28 (GIL) : 72 (UDPL) ratio. The SEZ is being developed and operated in terms of the SEZ Act, 2005 and the rules framed there under.

Note 33: Previous year's figure have been regrouped/rearranged wherever necessary to make them comparable with those of the Current Year.

As per Our Report of even date  
For O.P.DADU & CO.

CHARTERED ACCOUNTANTS  
FRN. 001201N

(AHEY DADU)  
PARTNER

M.No. 093313

PLACE: NEW DELHI  
DATED: 30 MAY 2016

FOR AND ON BEHALF OF THE BOARD

Sarla Gupta

SARLA GUPTA  
WHOLE TIME DIRECTOR  
DIN No:00069053

Mayur Gupta

MAYUR GUPTA  
DIRECTOR  
DIN No:00131376