

KAMANWALA HOUSING CONSTRUCTION LIMITED

Regd. Office: 802C-I, 8th Floor, A Wing, Pinnaacle Corporate Park, Opp. BKC Telephone Exchange, Next to Trade Centre, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

Tel: 2447 5900, 2445 6029, 2447 4983 * Fax: 2447 4968 * Email :kamanwala@gmail.com

Website : www.kamanwalahousing.com * CIN: L65990MH1984PLC032655

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2016

(₹ IN LACS)

Sr. No.	PARTICULARS	Quarter Ended			Year Ended	
		31.03.2016 Audited	31.12.2015 Unaudited	31.03.2015 Audited	31.03.2016 Audited	31.03.2015 Audited
1.	Income from Operations					
	a) Net sales/income from operations (Net of excise duty)	3932.78	2684.32	1066.28	7918.53	2357.94
	b) Other operating income	5.00	2.51	-	7.51	-
	Total Income from operations (a + b)	3937.78	2686.83	1066.28	7926.04	2357.94
2.	Expenses					
	a. Consumption of materials consumed	3388.90	2501.21	723.71	8224.27	1630.07
	b. Purchase of stock-in-trade	-	-	-	-	-
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	882.08	385.12	620.08	353.86	837.38
	d. Employees benefits expenses	50.72	51.28	105.08	211.90	293.37
	e. Depreciation and Amortisation Expense	6.41	7.39	7.63	28.69	30.02
	f. Other Expenses	258.29	35.50	55.45	535.37	193.09
	Total expenses	4586.40	2980.50	1511.95	9354.09	2983.93
3	Profit from Operations before other income, finance costs and exceptional items (1-2)	(648.62)	(293.67)	(445.67)	(1428.05)	(625.99)
4	Other Income	305.12	308.68	549.40	974.80	1210.64
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(343.50)	15.01	103.73	(453.25)	584.65
6	Finance Costs	126.55	69.65	(43.51)	661.54	807.92
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(470.05)	(54.64)	147.24	(1114.79)	(223.27)
8	Prior Period Items	(15.85)	-	-	(15.85)	-
9	Exceptional Items	42.69	9.17	440.70	51.86	440.70
10	Profit/ (Loss) from ordinary activities before tax (7+8-9)	(443.21)	(45.47)	587.94	(1078.78)	217.43
11	Tax expenses	(0.20)	(0.32)	49.79	(1.20)	49.49
12	Net Profit / (Loss) from ordinary activities after tax (10-11)	(443.01)	(45.15)	538.15	(1077.58)	167.94
13	Extraordinary items (net of tax expenses)	-	-	-	-	-
14	Net Profit/ (Loss) for the period (12-13)	(443.01)	(45.15)	538.15	(1077.58)	167.94
15	Share of Profit/ (loss) of associates	-	-	-	-	-
16	Minority Interest	-	-	-	-	-
17	Net Profit/ (Loss) after taxes, minority interest and share of profit/ (loss) of associates (14+15+16)	(443.01)	(45.15)	538.15	(1077.58)	167.94
18	Paid-up Equity Share Capital (Face Value of ₹ 10/- per Share)	1409.32	1409.32	1409.32	1409.32	1409.32
19	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	6593.10	7670.68
20	Earning Per Share (EPS)					
	a) EPS- Basic (Not annualised) ₹	-	-	3.82	-	1.19
	b) EPS- Diluted (Not annualised) ₹	-	-	3.82	-	1.19



STATEMENT OF AUDITED STANDALONE ASSETS AND LIABILITIES

(₹ IN LACS)

Particulars		Audited As at 31st March, 2016	Audited As at 31st March, 2015
		₹	₹
A	EQUITY AND LIABILITIES		
1	SHAREHOLDERS' FUNDS		
	(a) Share Capital	1409.32	1409.32
	(b) Reserves and Surplus	6593.10	7670.68
	(c) Money received against share warrants	-	-
	Shareholders' Funds	8002.42	9080.00
2	SHARE APPLICATION MONEY PENDING ALLOTMENT	-	-
3	NON -CURRENT LIABILITIES		
	(a) Long-Term Borrowings	597.75	297.13
	(b) Deferred Tax Liabilities (Net)	15.15	16.35
	(c) Other Long-Term Liabilities	797.92	172.55
	(d) Long-Term Provisions	13.35	9.88
	Non-Current Liabilities	1424.17	495.91
4	CURRENT LIABILITIES		
	(a) Short-Term Borrowings	3714.90	6929.92
	(b) Trade Payables	144.44	277.15
	(c) Other Current Liabilities	2496.38	1372.51
	(d) Short-Term Provisions	233.32	146.95
	Current Liabilities	6589.04	8726.53
	TOTAL EQUITY AND LIABILITIES	16015.63	18302.44
B	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Fixed Assets	145.66	203.30
	(b) Non-current Investments	100.00	190.00
	(c) Deferred Tax Assets (Net)	-	-
	(d) Long-Term Loans and Advances	4350.47	3219.18
	(e) Other Non-Current Assets	383.59	294.33
	Non-Current Assets	4979.72	3906.81
2	CURRENT ASSETS		
	(a) Current Investments	1001.43	2025.46
	(b) Inventories	6025.29	6379.35
	(c) Trade Receivables	1434.75	3623.98
	(d) Cash and Cash Equivalents	248.41	185.17
	(e) Short-Term Loans and Advances	2317.48	2169.77
	(f) Other Current Assets	8.55	11.90
	Current Assets	11035.91	14395.63
	TOTAL ASSETS	16015.63	18302.44

NOTES:

- Sales of projects are accounted for on the basis of percentage completion method as per Architects Certificate and Sales relating to Pinnaacle Corporate Park, Bandra (East), Mumbai are accounted for on the basis of Agreements entered into irrespective of the completion of the project.
- For the Quarter under review, the Company has incurred Interest & Financial Expenses amounting to ₹ 402.28 Lacs out of which ₹ 275.73 has been capitalized to the unsold stocks of the respective projects for which funds were borrowed and the balance ₹ 126.55 Lacs has been shown as revenue expenditure.
- Figures for the previous periods are re-classified/ re-arranged / re-grouped, wherever necessary, to correspond with the current periods classification/ disclosure.
- The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the financial year.
- The above Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the Meeting held on 28th May, 2016.

For KAMANWALA HOUSING CONSTRUCTION LTD.



sd/-

MURARI LAL GUPTA
MANAGING DIRECTORPlace: Mumbai
Dated: 28th May, 2016

KAMANWALA HOUSING CONSTRUCTION LIMITED

Regd. Office: 802C-I, 8th Floor, A Wing, Pinnaacle Corporate Park, Opp. BKC Telephone Exchange, Next to Trade Centre, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

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STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2016

(₹ IN LACS)

Sr. No.	PARTICULARS	Quarter Ended			Year Ended	
		31.03.2016 Audited	31.12.2015 Unaudited	31.03.2015 Audited	31.03.2016 Audited	31.03.2015 Audited
1	Income from Operations					
	a) Net sales/income from operations (Net of excise duty)	3,932.78	2684.32	1066.28	7918.53	2357.94
	b) Other operating income	5.00	2.51	-	7.51	-
	Total Income from operations (a + b)	3,937.78	2686.83	1066.28	7926.04	2357.94
2	Expenses					
	a. Consumption of materials consumed	3,388.90	2501.21	723.71	8224.27	1630.07
	b. Purchase of stock-in-trade	-	-	-	-	-
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	882.08	385.12	620.08	353.86	837.38
	d. Employees benefits expenses	50.72	51.28	105.08	211.90	293.37
	e. Depreciation and Amortisation Expense	6.41	7.39	7.63	28.69	30.02
	f. Other Expenses	258.29	35.50	55.44	535.37	193.09
	Total expenses	4586.40	2980.50	1511.94	9354.09	2983.93
3	Profit from Operations before other income, finance costs and exceptional items (1-2)	(648.62)	(293.67)	(445.66)	(1428.05)	(625.99)
4	Other Income	305.12	308.68	549.40	974.80	1210.64
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(343.50)	15.01	103.74	(453.25)	584.65
6	Finance Costs	126.55	69.65	(43.51)	661.54	807.92
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(470.05)	(54.64)	147.25	(1114.79)	(223.27)
8	Prior Period Items	(15.85)	-	-	(15.85)	-
9	Exceptional items	42.69	9.17	440.70	51.86	440.70
10	Profit/ (Loss) from ordinary activities before tax (7+8-9)	(443.21)	(45.47)	587.95	(1078.78)	217.43
11	Tax expenses	(0.20)	(0.32)	49.79	(1.20)	49.49
12	Net Profit / (Loss) from ordinary activities after tax (10-11)	(443.01)	(45.15)	538.16	(1077.58)	167.94
13	Extraordinary items (net of tax expenses)	-	-	-	-	-
14	Net Profit/ (Loss) for the period (12-13)	(443.01)	(45.15)	538.16	(1077.58)	167.94
15	Share of Profit/(Loss) of associates	-	-	-	-	-
16	Minority Interest	-	-	-	-	-
17	Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (14+15+16)	(443.01)	(45.15)	538.16	(1077.58)	167.94
18	Paid-up Equity Share Capital (Face Value of ₹ 10/- per Share)	1409.32	1409.32	1409.32	1409.32	1409.32
19	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	6593.10	7670.68
20	Earning Per Share (EPS)					
	a) EPS- Basic (Not annualised) ₹	-	-	3.82	-	1.19
	b) EPS- Diluted (Not annualised) ₹	-	-	3.82	-	1.19



STATEMENT OF CONSOLIDATED AUDITED ASSETS AND LIABILITIES

(₹ IN LACS)

Particulars		Audited As at	Audited As at
		31st March, 2016	31st March, 2015
A	EQUITY AND LIABILITIES		
1	SHAREHOLDERS' FUNDS		
	(a) Share Capital	1409.32	1409.32
	(b) Reserves and Surplus	6593.10	7670.68
	(c) Money received against share warrants	-	-
	Shareholders' Funds	8002.42	9080.00
2	SHARE APPLICATION MONEY PENDING ALLOTMENT	-	-
3	NON -CURRENT LIABILITIES		
	(a) Long-Term Borrowings	597.75	569.62
	(b) Deferred Tax Liabilities (Net)	15.15	16.35
	(c) Other Long-Term Liabilities	797.92	664.44
	(d) Long-Term Provisions	13.35	9.88
	Non-Current Liabilities	1424.17	1,260.29
4	CURRENT LIABILITIES		
	(a) Short-Term Borrowings	5115.67	6429.53
	(b) Trade Payables	196.96	327.24
	(c) Other Current Liabilities	2644.24	1834.94
	(d) Short-Term Provisions	314.16	231.24
	Current Liabilities	8271.03	8822.95
	TOTAL EQUITY AND LIABILITIES	17697.62	19163.24
B	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Fixed Assets (Net)		
	Tangible Assets	145.66	935.74
	Intangible Assets	493.77	578.51
	(b) Non-current Investments	69.00	69.00
	(c) Deferred Tax Assets (Net)	-	-
	(d) Long-Term Loans and Advances	4350.47	3224.96
	(e) Other Non-Current Assets	383.59	294.33
	Non-Current Assets	5442.49	5102.54
2	CURRENT ASSETS		
	(a) Current Investments	-	213.83
	(b) Inventories	6337.46	7129.53
	(c) Trade Receivables	1603.86	3945.77
	(d) Cash and Cash Equivalents	293.60	207.29
	(e) Short-Term Loans and Advances	4011.66	2552.38
	(f) Other Current Assets	8.55	11.90
	Current Assets	12255.13	14060.70
	TOTAL ASSETS	17697.62	19163.24

NOTES:

- Sales of projects are accounted for on the basis of percentage completion method as per Architects Certificate and Sales relating to Pinnaacle Corporate Park, Bandra (East), Mumbai are accounted for on the basis of Agreements entered into irrespective of the completion of the project.
- For the Quarter under review, the Company has incurred Interest & Financial Expenses amounting to ₹ 402.28 Lacs out of which ₹ 275.73 has been capitalized to the unsold stocks of the respective projects for which funds were borrowed and the balance ₹ 126.55 Lacs has been shown as revenue expenditure.
- Figures for the previous periods are re-classified/ re-arranged / re-grouped, wherever necessary, to correspond with the current periods classification/ disclosure.
- The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the financial year.
- The above Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the Meeting held on 28th May, 2016.

For KAMANWALA HOUSING CONSTRUCTION LTD.

[Signature]
sd/-
MURARI LAL GUPTA
MANAGING DIRECTOR

Place: Mumbai
Dated: 28th May, 2016



Independent Auditor's Report

To the Members of
Kamanwala Housing Construction Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Kamanwala Housing Construction Limited** ("the Company") which comprises the Standalone Balance Sheet as at 31st March 2016, the statement of Standalone Profit and Loss and the Standalone Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of 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.

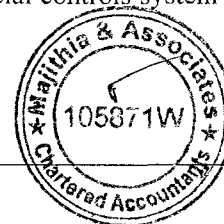
Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting



and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.

Basis for Qualified Opinion

The Company has recognized interest income of Rs 217.01 Lacs during the year from party M/s Housing Development & Infrastructure Limited (previous year interest recognized of Rs 217.01 Lacs). However, the Company has not received confirmation of such interest receivable from the party since a long time. This constitutes to departure from Accounting Standard -9 "Revenue Recognition". Had the Management followed AS-9, the Company's loss would have been increased by value of Rs 217.01 Lacs for current year ended 31.03.2016 and in our opinion to that extent loss as stated in profit and loss account is understated to the extent of Rs 217.01 Lacs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2016;*
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and*
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.*

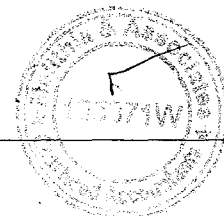
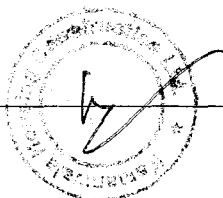
Other Matters

The financial statements and other financial information include the company's proportionate share in jointly controlled assets of Rs. 25.43 lacs in respect of an Unincorporated Joint venture which is certified by the management.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 purpose of our audit;



MAJITHIA & ASSOCIATES

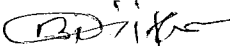
CHARTERED ACCOUNTANTS

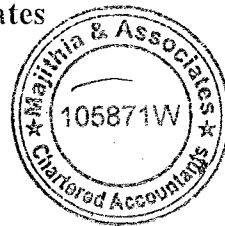
6, New Jagruti Co-op. Hsg. Soc. Ltd.,
1st Floor, 227, S. V. Road,
Opp. H. P. Petrol Pump,
Bandra (W), Mumbai - 400 050.
Tel. : 91-22-2651 6836 / 8887
Fax : 91-22-2655 1145

- 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, Statement of Profit and Loss and 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. 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 are 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 B"; 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:
- the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1.19.5, 1.19.6, 1.19.7, 1.19.8 and 1.19.9 to the financial statements;
 - the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts – Refer Note 1.19, 1.10, 1.12 & 1.13 to the financial statements; and
 - there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

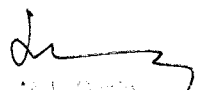
For Majithia & Associates

Chartered Accountants
Firm Reg. No. 105871W


Bhavesh R. Majithia
Partner
Membership No. 048194



CERTIFIED TRUE COPY
For Kamewala Housing Construction Ltd.


J. L. Gadh
Vice Chairman & Managing Director

Place: Mumbai
Date: 28th May 2016

"Annexure-A" to the Auditor's Report

The Annexure referred to in Paragraph 1 under heading of "Report on Other Legal and Regulatory Requirements" our report to the members of Kamanwala Housing Construction Limited ("the Company") for the year ended 31st March 2016. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

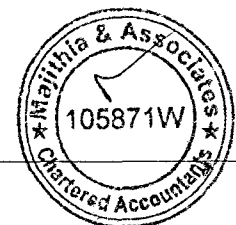
(b) As per the information and explanation provided to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As per the information and explanation given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. The Company has granted loans to four parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

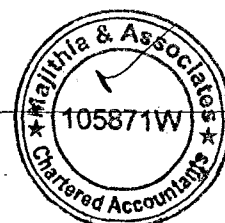
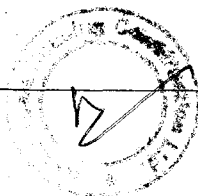
(b) In the case of the loans granted to the parties listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, clause (iii) (b) of the paragraph 3 Order is not applicable to the Company in respect of repayment of the principal amount.

(c) There are no overdue amounts of more than rupees five lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.



- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans and investments made. The company has not given any guarantees and therefore, provisions of clause (iv) of paragraph 3 of the order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. As per Companies (Cost records and audit) Rules, 2015, provisions of sub-section (1) of section 148 of the Act, relating to cost records and cost audit are not applicable to the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax and other material statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable except Sales Tax (VAT) to the extent of Rs. 2,70,458/- and Interest thereon of Rs. 8,08,745 which is outstanding for more than 6 months.
- (b) According to information and explanations given to us, the following dues of income tax, sales tax and value added tax have not been deposited by the Company on account of disputes:

Name of Statute	Nature of dues	Amount (Rs. In lacs)	Period to which the amount relates (FY)	Forum where dispute is pending
MVAT Act, 2002	Sales Tax	20.93	2006-07	Commissioner of Sales Tax (Appeal)
MVAT Act, 2002	Sales Tax	14.53	2007-08	Commissioner of Sales Tax (Appeal)
MVAT Act, 2002	Sales Tax	4.64	2008-09	Commissioner of Sales Tax (Appeal)
MVAT Act, 2002	Sales Tax	23.69	2010-11	Commissioner of Sales Tax (Appeal)

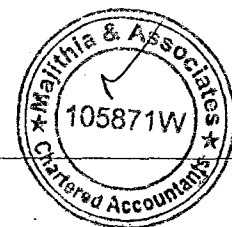
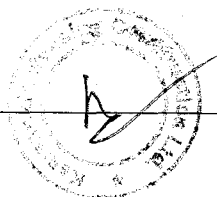


MAJITHIA & ASSOCIATES
CHARTERED ACCOUNTANTS

6, New Jagruti Co-op. Hsg. Soc. Ltd.,
1st Floor, 227, S. V. Road,
Opp. H. P. Petrol Pump,
Bandra (W), Mumbai - 400 050.
Tel. : 91-22-2651 6836 / 8887
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MVAT Act, 2002	Sales Tax	74.56	2011-12	Commissioner of Sales Tax (Appeal)
Income Tax Act, 1961	Income Tax	378.00	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	82.27	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	707.46	2012-13	Commissioner of Income Tax (Appeals)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of Clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the financial year covered by our audit.
- xi. According to the information and explanations give to us and based on our examination of the books of accounts 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.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company
- xiii. According to the information and explanations given to us and based on our examination of the books of account of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where ever applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards and the Act.
- xiv. According to the information and explanations give to us and based on our examination of the books of account of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year covered by our audit. Therefore, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.



MAJITHIA & ASSOCIATES
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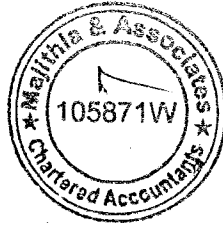
- xv. According to the information and explanations given to us and based on our examination of the books of account of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45/IA of the Reserve Bank of India Act, 1934.

For Majithia & Associates
Chartered Accountants
Firm Reg. No. 105871W

Bhavesh R. Majithia

Bhavesh R. Majithia
Partner
Membership No. 048194

Place: Mumbai
Date: 28th May 2016



CERTIFIED TRUE COPY
For Kamawala Housing Construction Ltd.

[Signature]

N. L. Gupta
Vice Chairman & Managing Director

Annexure - B to the Auditors' Report

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

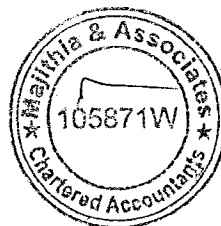
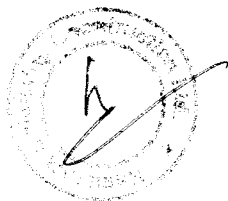
We have audited the internal financial controls over financial reporting of **Kamanwala Housing Construction Limited** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the, Act.

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. 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 judgment, 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

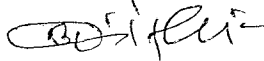
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, 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 31st March 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.

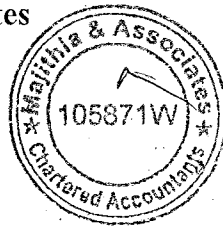
For Majithia & Associates

Chartered Accountants
Firm Reg. No. 105871W




Bhavesh R. Majithia
Partner

Membership No. 048194



CERTIFIED TRUE COPY
For General Manager of Construction Ltd.



General Manager
Construction Ltd.

Place: Mumbai

Date: 28th May 2016

Independent Auditor's Report

To the Members of
Kamanwala Housing Construction Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Kamanwala Housing Construction Limited** ('the Holding Company') and its Jointly Controlled Entities (collectively referred to as "The Company" or the "The Group") comprising of Consolidated Balance sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information ("hereinafter referred to as consolidated financial statements")

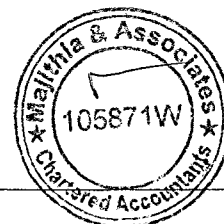
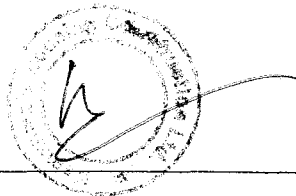
Management's Responsibility for the Consolidated Financial Statements:

The Holding 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and consolidated 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 the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

The Holding Company has recognized interest income of Rs 217.01 Lacs during the year from party M/s Housing Development & Infrastructure Limited (previous year interest recognized of Rs 217.01 Lacs). However, the Holding Company has not received confirmation of such interest receivable from the party since a long time. This constitutes to departure from Accounting Standard -9 "Revenue recognition". Had the Management followed AS-9, the Company's loss would have been increased by value of Rs 217.01 Lacs for current year ended 31.03.2016 and in our opinion to that extent loss as stated in profit and loss account is understated to the extent of Rs 217.01 Lacs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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:

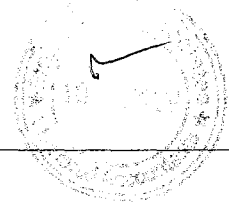
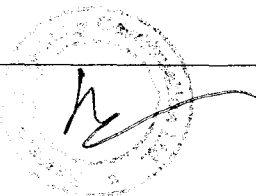
- (i) in the case of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March 2016;*
- (ii) in the case of the consolidated statement of profit and loss, of the loss for the year ended on that date; and*
- (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.*

Emphasis of Matters

We draw your attention to the following matter in the notes to the financial statements -

1. Note No.1.19.10 where the Company has provided for consolidation of Kamanwala Jain Infra LLP as per AS 27 as the same is not a body corporate as defined u/s 2(87) of the Act.

Our opinion is not modified in respect of this matter.



Other Matters

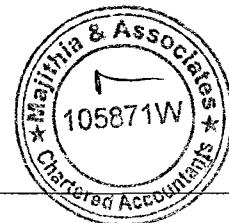
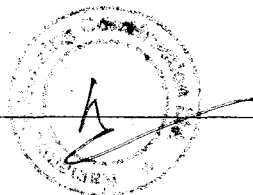
The consolidated financial statements and other financial information include the company's proportionate share in jointly controlled assets of Rs. 25.43 lacs in respect of an Unincorporated Joint venture which is certified by the management.

We did not audit the financial statements of three jointly controlled entities, whose financial statements reflect Net assets of Rs. 533.98 lacs as at 31st March, 2016 as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the Independent Auditors Report on Consolidated Financial Statements.
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 of the aforesaid consolidated financial statements.
 - b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books.
 - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e. The matters described in paragraph "Emphasis of Matters", in our opinion may have an adverse effect on the financial position of the Company

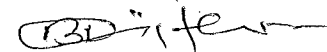


MAJITHIA & ASSOCIATES
CHARTERED ACCOUNTANTS

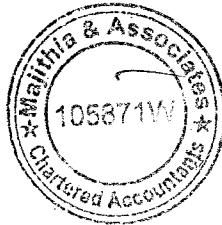
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- f. On the basis of the written representations received from the directors of the Company as on 31st March 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2016 from being appointed as a director 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer 1.19.5, 1.19.6, 1.19.7, 1.19.8 and 1.19.9 to the financial statements;
 - the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts – Refer Note 1.19, 1.10, 1.12 & 1.13 to the financial statements; and
 - there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Majithia & Associates
Chartered Accountants
Firm Reg. No. 105871W



Bhavesh R. Majithia
Partner
Membership No. 048194



CERTIFIED TRUE COPY
For Majithia & Associates Chartered Accountants Ltd.



M. L. Gupta
Vice Chairman & Managing Director

Place: Mumbai
Date: 28th May 2016



KAMANWALA HOUSING CONSTRUCTION LIMITED

ADMINISTRATIVE OFFICE: 405/406, NEW UDYOG MANDIR - 2,
MOGUL LANE, MAHIM (WEST), MUMBAI - 400 016.
Tel.: 2447 5900, 2445 6029, 2447 4983 • Fax: 2447 4968 • Email : kamanwala@gmail.com
Website : www.kamanwalahousing.com • CIN:L65990MH1984PLC032655

28th May, 2016

Declaration for audit report with unmodified opinion for audited consolidated financial statements and audited standalone financial statements for the year ended 31st March, 2016:

We hereby confirm that our Auditors, M/s. Majithia & Associates, Chartered Accountants, have expressed an unmodified opinion in their audit report on the consolidated financial statements and the standalone financial statements of the Company for the year ended 31st March, 2016.

For KAMANWALA HOUSING CONSTRUCTION LIMITED

MURARI LAL GUPTA
(MANAGING DIRECTOR)