Price Waterhouse Chartered Accountants LLP

To,
The Board of Directors,
Kapstone Constructions Private Limited

Dear Sirs,

Subject: Annual Report on Statement of Accounts on project fund utilisation and withdrawal by Kapstone Constructions Private Limited for the period from July 28, 2017 to March 31, 2018 with respect to Maharashtra Real Estate Regulatory Authority (General) Regulations, 2017 (MahaRERA) Registration Number P51700001516.

1. This letter forms an integral part of our report under Form 5 in respect of project fund utilisation and withdrawal by Kapstone Constructions Private Limited (the "Company") for the period from July 28, 2017 to March 31, 2018 with respect to MahaRERA Registration Number P51700001516, which should be read in conjunction with this letter.

2. The accompanying Management Declaration (Annexure 1) to Form 5 containing information related to percentage of completion, amount collected during the year and March 31, 2018 for the project, the amount withdrawn during the year and March 31, 2018 for the project has been prepared by the Management of Kapstone Constructions Private Limited pursuant to the requirements of Regulation 4(a) of MahaRERA read with circular no. 7/2017 dated July 4, 2017 issued by the Maharashtra Real Estate Regulatory Authority ('the Authority') and the third proviso to section 4(2)(l)(D) of The Real Estate (Regulation and Development) Act, 2016 (hereinafter collectively referred to as 'the Regulation'). We have initialled the Statement for identification purposes only.

Management Responsibility

3. The preparation of the Declaration is the responsibility of the Management of the Company including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Management Declaration in accordance with the Regulation, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management is also responsible for ensuring that the Company complies with the requirements of the Regulation and that it provides complete and accurate information as required under the Regulation.

Auditor's Responsibility

5. Pursuant to the Regulation, it is our responsibility to examine the Statement and certify whether: Kapstone Constructions Private Limited has completed 39.88% of the project titled "Rustomjee Aurelia 1" MahaRERA Registration. No. P51700001516 located at Survey No 51/6 pt , 7pt , 8pt , 9pt at Thane (M Corp.) 400601.
   i) Amount collected during the year for this project is Rs 238,194,583 and amount collected till date is Rs. 238,194,583.
   ii) Amount withdrawn during the year for this project is Rs. 188,814,535 and amount withdrawn till date is Rs. 188,814,535.
   iii) The utilisation out of the amounts collected is in accordance with the clarification given in Circular No.7/2017 dated July 4, 2017 issued by the Authority.
   iv) The withdrawal from the designated bank account of the said project has been in accordance with the proportion to the percentage of completion of the project.

6. The financial statements relating to the books and records referred to in paragraph 5 above have been audited by us pursuant to the requirements of Companies Act, 2013, on which we issued an unmodified audit opinion vide our report dated September 29, 2018. Our audit of these financial statements has been conducted in accordance with the Standards on Auditing referred to in section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. We conducted our examination of the Statement on a test check basis in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Restriction on Use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to submission of the annual report on statement of accounts in Form 5 under the Regulation on the Authority's web-based online portal. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.

10. The certificate is addressed to Board of Director and provided to the Company solely to enable it to comply with the requirements of Regulation 4(a) of MahaRERA, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Enclosures:

A) Auditors' report in Form 5
B) Management Declaration to Form 5

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
September 30, 2018

Price Waterhouse Chartered Accountants LLP

Form 5
ANNUAL REPORT ON STATEMENT OF ACCOUNTS

To,
The Board of Directors.
Kapstone Constructions Private Limited
702, Natraj, M.V. Road Junction,
Western Express Highway, Andheri- East

Subject: Report on Statement of Accounts on project fund utilization and withdrawal by Kapstone Constructions Private Limited for the period from July 28. 2017 to March 31, 2018 with respect to MahaRERA Registration Number - P51700001516

1. This certificate is issued in accordance with the provisions of the Real Estate (Regulation and Development) Act, 2016 read along with the Maharashtra Real Estate (Regulation and Development)(Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017. This certificate should be read along with our cover letter annexed herewith.

2. We have obtained all the necessary information and explanation from the Company, during the course of our audit, which in our opinion are necessary for the purpose of this certificate.

3. We hereby confirm that we have examined the prescribed registers, books and documents, and the relevant records of Kapstone Constructions Private Limited for the period ended March 31, 2018 and hereby certify that:

   i. Kapstone Constructions Private Limited have completed 39.88% of the project titled "Rustomjee Aurelia 1" MahaRERA Registration. No. P51700001516 located at Survey No 51/6 pt , 7pt , 8pt , 9pt at Thane (M Corp.), 400601.

   ii. Amount collected during the year for this project is Rs. 238,194,583 and amount collected till date is Rs. 238,194,583.

   iii. Amount withdrawn during the year for this project is Rs. 188,814,535 and amount withdrawn till date is Rs. 188.814,535.

4. We certify that the Kapstone Constructions Private Limited has utilized the amounts collected for Rustomjee Aurelia 1 project in accordance with the clarification given in Circular No.7/2017 dated July 4, 2017 issued by the Authority.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
September 30, 2018

Management declaration

Sr no	Project Name registered	RERA Reg No	As on March 31, 2018	Amount Collected (Refer note 2, 5 and 6)		Amount withdrawn (Refer note 4 and 7)	
			% of completion (Refer note 1 and 3)	Till March 31, 2018	For the period ended March 31, 2018	Till March 31, 2018	For the period ended March 31, 2018
1	Rustomjee Aurelia 1	P51700001516	39.88%	238,194,583	238,194,583	188,814,535	188,814,535

Notes:

1 (a) Percentage of completion of the project is the proportion which the cost incurred till date bears to total estimated cost of the project.

(b) In addition to the construction cost amounting to Rs. 719,360,061 as appearing in Note 10 in the audited financial statements for the year ended March 31, 2018, the Company has included certain additional costs while computing the Percentage of completion which mainly includes:

(i) The Company has obtained development rights on the land (on which the Project is being developed) vide agreement dated March 31, 2006. Pursuant to explanation II to Rule 5 of MAHARERA Registration Rules, the Company has reckoned the cost of land on basis of the value of the land as ascertained from the ASR prepared under the provisions of the Maharashtra Stamp Act, relevant on the date of registration of the real estate project. Further, pursuant to Clarification on CA certificates, issued by MAHARERA, dated July 04,2017, Company has done indexation of cost of land determined as above.

(ii) Advances paid to Vendors

(iii) Inventory of raw material as at March 31, 2018 which was purchased specifically for this Project.

(iv) General Borrowing Cost is allocated basis construction cost.

(c) Accrued Cost of Construction / Expenses as at March 31, 2018 has not been considered while computing the above percentage of completion.

2 The amount collected in the Real Estate (Regulation & Development Act) ('RERA') regime has been deposited in separate bank account pursuant to section 4(2)(l)(D) read with Rule 5(2) of Maharashtra Real Estate (Regulation and Development)(Registration of real estate projects, Registration of real estate agents, rates of interest and disclosures on website) Rules, 2017.

3 Common cost incurred, including administrative cost on all the projects, is allocated to each project registered under RERA on a reasonable basis such as ratio of area of the projects, ratio of construction cost incurred, etc.

4 The withdrawal from the designated bank account of the said project has been in accordance with the proportion to the percentage of completion of the project.

5 Management has adopted June 30, 2017, as the cut off date for determining the cost incurred for the project for applying transitional provisions of RERA instead of the actual date of registration of the project under MahaRERA.

6 Amount collected till date and for the year represents 70% of amount collected from allotees from the date of registration of project under MahaRERA including pass through charges, wherever applicable.

7 Amount withdrawn till date and for the year represents amounts withdrawn from designated separate bank account for the project in accordance with percentage of completion of the project pursuant to section 4(2)(l)(D) read with Rule 5(2) of Maharashtra Real Estate (Regulation and Development)(Registration of real estate projects, Registration of real estate agents, rates of interest and disclosures on website) Rules, 2017. Further, the utilisation of funds is in accordance with end use of funds as prescribed in the Circular No.7/2017 dated July 4, 2017 issued by RERA Authority.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
Chartered Accountants
FRN 012754N/N500016
Mumbai

Kapstone Constructions Pvt. Ltd.
Mumbai

For Kapstone Constructions Private Limited

Vikas Pitti
(Authorised Signatory)