



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

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## **Independent Auditor's Report to the Members of Medi- Net Services Private Limited**

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

We have audited the accompanying financial statements of **Medi-Net Services Private Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board Of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the 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.

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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and
- ii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 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, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, and the statement of cash flow 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 Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, as amended;

*A*

- e. On the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of internal financial control 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:
  - a. The company does not have any pending litigations which would have impact on its financial position in its financial statement.
  - b. The company did not have material foreseeable losses on long term contracts including derivative contracts that require provision under any law or Accounting Standards for which there were any material foreseeable losses.
  - c. No amount is required to be transferred to the Investor Education and Protection Fund by the Company.
- h. The Company has disclosed in Note - 7 to the Financial Statement of details regarding specified bank notes properly.

For **H. R. Agarwal & Associates**  
Chartered Accountants  
Firm's registration no. 323029E

*Shyam Sundar Agarwal*

**(Shyam Sundar Agarwal, FCA)**

Partner

Membership number: 060033

Place: Kolkata

Date: 23/05/2017

*AS*

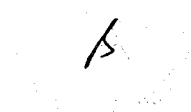
• **Annexure A to the Auditor's Report**

**(Referred to in Paragraph 1 under "Report on other legal and regulatory requirements" of our report of even date)**

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As Explained to us, the fixed asset has been physically verified by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (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 deed of immovable property is held in the name of the Company.
- ii) As the Company has neither purchased / sold goods during the year nor there is any opening stock, hence reporting of clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanation given to us, the Company has complied with the Provisions of Section 185 and 186 of the Companies Act, 2013, with respect to the loans and investment made.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in pursuance to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- vi) According to the information and explanation provided by the management, the Company is not engaged in the production of any such goods or provisions of any such Services for which Central Government has prescribed the maintenance of Cost Records under section 148 (1) of the Companies Act, 2013. Accordingly, clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii) (a) As explained, the Company is generally regular in depositing with appropriate authorities in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, custom duty, excise duty, and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, wealth-tax, sales tax, custom duty, excise duty or value added tax and cess were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of VAT, sales tax, Service tax, duty of custom, duty of excise and Income Tax which have not been deposited on account of any dispute.



- viii) The company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The company did not raise any funds by way of further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) 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 course of our audit.
- xi) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not paid/ provided for any managerial remuneration during the year. Accordingly, clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- xii) In our opinion and according to the information and explanation given to us, the company is not a nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii) According to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any transactions with the related parties that require approval under section 177 and 188 of the Act, 2013, where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **H. R. Agarwal & Associates**  
Chartered Accountants  
Firm's registration no. 323029E

*Sagarwal.*

**(Shyam Sundar Agarwal, FCA)**

Partner

Membership number: 060033

Place: Kolkata

Date: 23/05/2017

*B*

## **Annexure B to the Auditor's Report**

(Referred to in paragraph 2(f) under "Report on other legal and regulatory requirements" of our report of even date)

### **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 Control over financial reporting of **Medi - Net Services Private Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year then ended.

#### **Management Responsibility for the 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 the 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.

#### **Auditor's 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 prescribed under Section 143(10) of the Act, 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 ICAI. 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, 2017, 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 ICAI.

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

Chartered Accountants

Firm's registration no. 323029E

*Sagarwal*

**(Shyam Sundar Agarwal, FCA)**

Partner

Membership number: 060033

Place: Kolkata

Date: 23/05/2017

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Medi-Net Services Pvt. Ltd.

CIN NO - U72200WB2007PTC117940

Balance Sheet as at March 31, 2017

	Note No.	As at 31.03.2017 Amount (in Rs.)	As at 31.03.2016 Amount (in Rs.)
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	400,000	400,000
<b>Current Liabilities</b>			
Short term borrowings	3	29,497,450	29,490,130
Other Current Liabilities	4	339,744	265,792
<b>Total</b>		<b>30,237,194</b>	<b>30,155,922</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets- Land		28,958,058	28,968,058
Capital Work in Progress	5	1,263,493	1,075,291
<b>Current assets</b>			
Cash and cash equivalents	6	5,643	67,144
Short term loans and advances	7	-	45,429
<b>Total</b>		<b>30,237,194</b>	<b>30,155,922</b>

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

Date: 23/05/2017  
Place: Kolkata

For and on Behalf of the Board of Director

*Ashish Bhardwaj*  
Ashish Bhardwaj  
Director  
DIN: 03459739

*Shankar Mukherjee*  
Shankar Mukherjee  
Director  
DIN: 01918561





**Medi-Net Services Pvt. Ltd.**  
CIN NO - U72200WB2007PTC117940  
Cash Flow Statement Annexed to the Balance Sheet for the year ended 31.03.2017

Particulars	Year Ended 31.03.2017 Amount (Rs.)	Year Ended 31.03.2016 Amount (Rs.)
<b>A. CASH FLOW OPERATING ACTIVITIES</b>		
Operating Profit Before Working Capital Changes		
Adjustments for:		
Decrease/(Increase) in loans & advances	45,429	(2,406)
Increase / (Decrease) in Other Current liabilities	73,952	160,632
Net Cash From Operating Activities	<b>119,381</b>	<b>158,226</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(increase) / Decrease in Other Non Current Assets	(188,202)	(204,982)
	<b>(188,202)</b>	<b>(204,982)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of short term Borrowings	7,320	8,275
	<b>7,320</b>	<b>8,275</b>
<b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(61,501)</b>	<b>(38,481)</b>
Opening Cash and cash equivalents	67,144	105,625
Closing Cash and cash equivalents	5,643	67,144
Closing Cash and cash equivalents as per Balance Sheet	<b>5,643</b>	<b>67,144</b>

Note:-

1. Figures in brackets denote cash outflow

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

*Sagarwal*

(CA Shyam Sundar Agarwal)  
Partner  
Membership No FCA 060033

Date: 23/05/2017  
Place: Kolkata



For and on behalf of Board of Directors

*Abhishek Bhardwaj*  
Abhishek Bhardwaj  
Director  
DIN: 03459739

*Shankar Mukherjee*  
Shankar Mukherjee  
Director  
DIN: 01918561

1) **SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Preparation of Financial Statements**

The Company prepares its financial statements in accordance with generally accepted accounting practices and also in accordance with requirements of Companies Act, 2013

**Revenue Recognition**

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

**Contingent Liability**

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

2) **SHARE CAPITAL**

**Authorised :**

50,000 Equity Shares of Rs.10/- each 500,000 500,000

**Issued, Subscribed & Paid-Up:**

40,000 Equity Shares of Rs.10/- each fully paid up 400,000 400,000

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

2) Shares held by its holding company M/S Shristi Infrastructure Development Corporation Limited 30,000

- Shristi Housing Development Corporation Ltd.\* 30,000

3) Shareholder holding more than 5% of the total shares  
Ms. Shristi Infrastructure Development Corporation Ltd. 30,000

- Shristi Housing Development Corporation Ltd.\* 30,000

\*[Amalgamated with Shristi Infrastructure Development Corporation Limited pursuant to Hon'ble High Court Order, Calcutta dated 16th February, 2016 which became effective on 31st March, 2016]

3) **SHORT TERM BORROWINGS**

**Unsecured Loans**

-From Body Corporates (Shristi Infrastructure Development Corp Ltd) 29,497,450 29,490,130

4) **Other Current Liabilities**

**Expenses payable**

H. R. Agarwal & Associates	16,065	8,015
Aloke Kr. Ghosh	1,190	136
Arindam Banerjee	90,270	33,660
Arun Kumar Maity	10,030	3,740
BR PRECAST	116,203	116,203
K.Arun & Co.	4,013	2,863
Nilesh Gattani	5,410	-
Soumabho Ghosh	11,900	1,360
ISHA KHAN CHOUDHURY	59,617	59,617
MR & Associates.	1,150	-
Other Expenses payable	8,550	8,550
Retention Money Payable	7,561	7,561
Service Tax Payable (RC)	-	19,826
TDS Contractors	-	1,236
TDS Professional	4,760	-
Other Liabilities	3,025	3,025
	<b>339,744</b>	<b>265,792</b>

5) **CAPITAL WORK IN PROGRESS**

Survey work	27,603	27,603
Pre-Operative Expenses b/f	1,047,688	966,326
Bank Charges	22,561	5,138
Legal & Professional Charges	125,570	66,134
Audit Fee	8,050	8,015
Filing Fees	6,268	2,075
General Expenses	25,753	-
	<b>1,263,493</b>	<b>1,075,291</b>



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6) **CASH AND CASH EQUIVALENTS**

Balances with Scheduled Banks - in Current Accounts	5,472	68,930
Cash-in-hand	171	215
	<b>5,643</b>	<b>67,144</b>

7) Disclosure Regarding Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below:-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	171	171
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	171	171

8) **SHORT TERM LOANS AND ADVANCES**

<b>Unsecured and Considered good</b>		
Advances to staff and other	-	25,000
Service Tax Input(on pymt. Basis)	-	19,826
Service Tax Input	-	603
	-	<b>45,429</b>

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

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

11) Contingent liabilities : NIL

12) **Related Party Transactions**

Related Party Disclosures in keeping with Accounting Standard- 18 prescribed under 'the Act'.

a) List of Related Parties  
Promoter

Shristi Infrastructure Development Corporation Limited

Shristi Housing Development Ltd [Amalgamated with Shristi Infrastructure Development Corporation Limited pursuant to Hon'ble High Court Order, Calcutta dated 16th February, 2016 which became effective on 31st March, 2016]

b. Transactions with Related parties

Sl. No.	Name of the Party	Nature of Transaction	Amount in Rs.	
			Current Year	Previous Year
1	Shristi Infrastructure Development Corporation Ltd.	Closing Balance Short term borrowing	29,497,450	-
2	Shristi Housing Development Limited	Closing Balance Short term borrowing	-	29,490,130

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

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

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

As per our report of even date

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

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

Date : 23/05/2017  
Place : Kolkata

**For and on Behalf of the Board of Director**

*Abhishek Bhardwa*  
Abhishek Bhardwa  
Director  
DIN: 03459739

*Shankar Mukherjee*  
Shankar Mukherjee  
Director  
DIN: 01918561