

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
Shristi Urban Infrastructure Development Limited  
New Delhi

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Shristi Urban Infrastructure Development Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and 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 relevant rules issued thereunder. 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 thereunder.

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 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 qualified audit opinion on these standalone financial statements.

#### **Basis for Qualified Opinion**

- i. *Trade receivables amounting to Rs. 511.68 lacs are outstanding for more than 1 year, pending for recovery and project in progress amounting to Rs. 24.53 lacs outstanding for more than 1 year pending for billing. Accordingly, we are unable to comment on the recovery of the same.*
- ii. *Company has made an investment of Rs. 300 lacs in its subsidiary company wherein the commercial operations have still not commenced due to litigation on the project land. Accordingly, we are unable to comment on the value of investment made by the company.*

#### **Qualified Opinion**

*In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, 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, 2017 and its losses and its cash flows for the year ended on that date.*

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

- (i) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central government of India in the terms of Section 143 of the Companies Act 2013, we give in the "Annexure 1" a statement on the matters specified in Paragraph 3 & 4 of the order, to the extent applicable.
- (ii) 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 balance sheet, the statement of profit and loss and the cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on functioning of the company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) 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 2".
- (h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the Financial Statements
  - 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.
  - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 27 to the standalone financial statements.

**For S. S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No. 000756N



**Yogesh K. Gupta**

Partner

Membership No. 093214

Place : **NEW DELHI**

Date : **22-05-2017**

**ANNEXURE 1 TO THE AUDITOR'S REPORT**

(As referred in paragraph 'Report on Other Legal and Regulatory Requirements 'of our report to the members of **Shristi Urban Infrastructure Development Limited** on the accounts for the year ended March 31, 2017)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the company during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of such verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) Company does not possess any immovable property hence the provision of clause 3 (i) (c) of the Order is not applicable to the company.
- (ii) The company does not hold any inventory. Hence, the provision of Clause 3 (ii) of the Order is not applicable to the company.
- (iii) As per the information and explanations provided to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year.
- (iv) As per the information and explanations provided to us, the company has not given any loans, investments, guarantees and security in terms of section 185 and 186 of the Companies Act, 2013 during the year.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provision of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of services carried out by the company. Therefore, provisions of Clause 3 (vi) of the order are not applicable to the company.
- (vii) (a) The Company, has been generally regular in depositing with appropriate authorities undisputed statutory dues including **Provident Fund**, Employees' State Insurance, Income Tax,



Service Tax, Sales Tax, Custom Duty, Excise Duty, Value added Tax and Cess and any other material statutory dues applicable to it *though there has been a slight delay in few cases.*

According to information and explanations given to us, no undisputed amounts is payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of customs, Duty of Excise, Value added Tax and cess which were in arrears as at March 31, 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 Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise & Value Added Tax which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information & explanations given to us, the company has not taken any loans from banks & financial institution and has not issued any debentures.
- (ix) The company has not raised money by way of initial public offer or further public offer during the year. The term loans have been applied for the purposes for which they were raised.
- (x) Based upon the audit procedure performed for the purpose of reporting the true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) Provision of Section 197 read with Schedule V to the Companies Act for providing managerial remuneration with the requisite approvals is not applicable to the company. Therefore, provision of Clause 3 (xi) of the order is not applicable to the company.
- (xii) As the company is not a Nidhi Company, therefore provisions of Clause 3 (xii) is not applicable to the company.
- (xiii) As per the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 wherever applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards. Section 177 of the Companies Act, 2013 is not applicable on the company.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment/ private placement of shares or full or partly convertible debentures during the year under review.

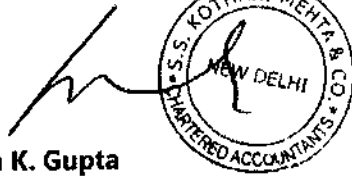


- (xv) According to the information and explanation provided to us, the company has not entered into any non-cash transactions with the directors or persons connected with them.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **S. S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No. 000756N



**Yogesh K. Gupta**

Partner

Membership No. 093214

Place : **NEW DELHI**

Date : **22-05-17**

**ANNEXURE 2 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 **Shristi Urban Infrastructure Development Limited** ("the Company") as of March 31, 2017 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 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 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 qualified 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.

**Qualified Opinion**

*According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2017:*

- i. *We are unable to comment on the management assessment on the non-impairment of the trade receivables outstanding for more than 1 year and project in progress outstanding for more than 1 year pending for billing as detailed in our main report.*
- ii. *We are unable to comment on the management assessment on non-impairment of investment made in its subsidiary company wherein the commercial operations have still not commenced due to litigation on the project land.*

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, commensurate with the size of the company & nature of its business, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating





effectively as of March 31, 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 Institute of Chartered Accountants of India", to the extent applicable.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the Company, and the material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants

Firm Reg. No. 000756N

Yogesh K. Gupta  
Partner  
Membership No. 093214



Place : **NEW DELHI**  
Date : **22-05-2017**

**SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED**

Balance Sheet as at March 31, 2017

Particulars	Note No.	As at 31.03.2017 Amount (in Rs.)	As at 31.03.2016 Amount (in Rs.)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	50,000,000	50,000,000
(b) Reserve and Surplus	3	(10,806,088)	(2,511,197)
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Provisions	4	331,916	295,088
<b>(2) Current Liabilities</b>			
(a) Short Term Borrowings	5	28,148,804	26,897,513
(b) Trade Payable	6	3,220,832	3,220,832
(c) Other Current Liabilities	7	16,163,912	13,079,439
(d) Short Term Provisions	8	15,990	14,957
<b>Total</b>		<b>87,075,366</b>	<b>90,996,632</b>
<b>II. Assets</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	9	37,790	40,180
(b) Non-Current Investments	10	30,000,000	30,000,000
(c) Deferred Tax Assets (net)	32	109,720	99,632
(d) Long Term Loans and Advances	11	1,647,523	2,074,501
(e) Other Non-Current Assets	12	64,713	47,103
<b>(2) Current Assets</b>			
(a) Trade Receivables	13	51,167,968	54,924,736
(b) Cash and Bank Balances	14	583,136	398,658
(c) Short Term Loans and Advances	15	1,011,456	958,762
(d) Other Current Assets	16	2,453,060	2,453,060
<b>Total</b>		<b>87,075,366</b>	<b>90,996,632</b>

The Accompanying Notes are integral part of Financial Statements

As per our report of even date attached.

For S.S.KOTHARI MEHTA &amp; CO.

Chartered Accountants

Firm Regn. No. 000766N

Yogesh Kumar Gupta  
Partner  
Membership No.093214



Place : New Delhi  
Date : 22-05-2017

For &amp; on Behalf of the Board

Sujit Kanoria  
(Director)  
DIN-01175425

Kamta Nath Pandey  
(Director)  
DIN-00694714

Durai Swamy Guhan  
(Director)  
DIN-06757569

Yogesh Kumar Upadhyay  
(Company Secretary)  
Membership No. F6750

**SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED**  
**Statement of Profit & Loss for the year ended March 31, 2017**

Particulars	Note No.	Year ended March 31, 2017 (Rs.)	Year ended March 31, 2016 (Rs.)
<b>INCOME</b>			
I. Revenue from Operations	17	-	-
II. Other Income	18	-	-
<b>III. Total Revenue(I+II)</b>		<b>100,290</b>	<b>68,047</b>
<b>EXPENSES</b>			
Employee Benefit Expenses	19	1,609,761	1,539,889
Finance Cost	20	3,568,036	3,650,076
Depreciation and Amortization Expenses	9	2,390	5,267
Other Expense	21	3,225,082	629,556
<b>IV. Total Expenses</b>		<b>8,405,269</b>	<b>5,824,788</b>
<b>V. Profit/(Loss) before exceptional and extraordinary items and tax</b>	(III - IV)	<b>(8,304,979)</b>	<b>(5,756,741)</b>
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax	(V - VI)	<b>(8,304,979)</b>	<b>(5,756,741)</b>
VIII. Extraordinary Items		-	-
IX. Profit before tax	(VII - VIII)	<b>(8,304,979)</b>	<b>(5,756,741)</b>
X. Tax Expense:-			
- (1) Current tax		-	-
- (2) Earlier tax		-	-
- (3) Deferred tax		37,219	-
XI. Profit/(Loss) of the year from Continuing operation after tax		<b>(10,088)</b>	<b>49,614</b>
XII. Profit/(Loss) from Discontinuing operation	(IX - X)	<b>(8,294,891)</b>	<b>(5,806,355)</b>
XIII. Tax expense of discounting operation		-	-
XIV. Profit/(Loss) from Discontinuing operations	(XII-XIII)	-	-
XV. Profit/(Loss) for the year	(XI-XIV)	<b>(8,294,891)</b>	<b>(5,806,355)</b>
<b>XVI. Earning per Equity Share (Face value of Rs. 10 each)</b>			
(1) Basic		<b>(1.659)</b>	<b>(1.161)</b>
(2) Diluted		<b>(1.659)</b>	<b>(1.161)</b>

The Accompanying Notes are integral part of Financial Statements

As per our report of even date attached.

For S.S.KOTHARI MEHTA & CO.

Chartered Accountants

Firm Regn. No. 000156N

For & on Behalf of the Board

Yogesh Kumar Gupta  
Partner  
Membership No.093214



Sujit Kanoria  
(Director)  
DIN-01175425

Kamta Nath Pandey  
(Director)  
DIN-00694714

Duraiswamy Guhan  
(Director)  
DIN-06757569

Place : New Delhi  
Date : 22-05-2017

Yogesh Kumar Upadhyay  
(Company Secretary)  
Membership No. F6750

**SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED**  
Cash Flow Statement for the year ended March 31, 2017

	Year Ended March 31, 2017 Amount (Rs.)	Year Ended March 31, 2016 Amount (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	(8,304,978)	(5,756,741)
Adjusted for :		
Depreciation	2,390	5,267
Sundry Balances written back	(1,905,768)	(2,080)
Interest Income	(100,290)	(65,967)
Profit on sale of Fixed Assets	-	-
Interest Paid	3,566,452	3,649,476
<b>Operating Profit before working capital changes</b>	<b>(6,742,195)</b>	<b>(2,170,045)</b>
(Increase) / Decrease in Trade Receivables	5,862,536	867,173
(Increase) / Decrease in Short Term Loans & Advances	(52,694)	347,778
(Increase) / Decrease in Long Term Loans & Advances	(15,540)	(16,511)
Increase / (Decrease) in Trade Payables	-	-
Increase / (Decrease) in Other Current Liabilities	(125,218)	(514,102)
(Increase) / Decrease in Other current assets	-	-
Increase / (Decrease) in Long term provisions	36,828	(32,026)
Increase / (Decrease) in Short term provisions	1,033	(3,350)
<b>Cash generated from operations</b>	<b>(1,235,250)</b>	<b>(1,721,083)</b>
Income Taxes paid (including dividend tax)	442,518	48,207
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(792,732)</b>	<b>(1,672,876)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	-	-
Change in Fixed Deposits	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from short Term Borrowings	1,251,291	1,641,000
Interest Received	82,680	48,042
Dividend paid	-	(10,000)
Interest Paid	(356,761)	(381,121)
<b>D. NET CASH USED IN FINANCING ACTIVITIES</b>	<b>977,210</b>	<b>1,297,921</b>
	<b>184,478</b>	<b>(374,955)</b>
<b>Change in Cash and Cash Equivalents</b>	<b>184,478</b>	<b>(374,955)</b>
Opening Balance of Cash and Cash equivalents	198,658	573,613
Closing Balance of Cash and Cash equivalents	383,136	198,658
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash in Hand	23,710	46,410
Balances with Bank	359,426	152,248

**Notes:**

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statement"
- Figures in bracket denote cash outflow

As per our report of even date attached.

For S.S.KOTHARI MEHTA & CO.  
Chartered Accountants  
Firm Regn. No. 000756N

Yogesh Kumar Gupta  
Partner  
Membership No. 093214

Place : New Delhi  
Date : 22-05-2017



For & on Behalf of the Board

*[Signature]*

Sujit Kanoria  
(Director)  
DIN-01175425

*[Signature]*  
Yogesh Kumar Upadhyay  
(Company Secretary)  
Membership No. F6750

*[Signature]*

Kamta Nath Pandey  
(Director)  
DIN-00694714

*[Signature]*

Duralswamy Guhan  
(Director)  
DIN-06757569

# SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

## Notes to Financial Statements

### Note 2: Share Capital

#### Authorised :

5,000,000 ( Previous year 5,000,000) Equity Shares of Rs.10/- each

As At  
March 31, 2017  
Amount ( Rs. )

As At  
March 31, 2016  
Amount ( Rs. )

50,000,000

50,000,000

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

5,000,000 ( Previous year 5,000,000) Equity Shares of Rs.10/- each fully paid up

50,000,000

50,000,000

Out of the above 2,999,960 (Previous Year 2,999,960) shares are held by the holding company.

50,000,000

50,000,000

Shares issued/boughtback during the year: NIL

### Details of each shareholder holding more than 5% shares

Name of shareholder	As at 31st March, 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shristi Infrastructure Development Corporation Limited- Holding Company	2,999,960	59.999	2,999,960	59.999
Housing & Urban Development Corporation Limited (HUDCO)	2,000,000	40.000	2,000,000	40.000

### Note 3 : Reserve & Surplus

#### Profit & Loss

##### Opening Balance

##### Add: Profit for the year

(2,511,197)

3,295,158

(8,294,891)

(5,808,355)

(10,806,088)

(2,511,197)

Less: Depreciation charged to Retained earnings as per Companies Act, 2013

Less: Proposed dividend

Less: Provision for Dividend Tax

Closing Balance

(10,806,088)

(2,511,197)

(10,806,088)

(2,511,197)

### Note 4 : Long Term Provisions

Provision for Leave Encashment

Provision for Gratuity

(Refer Note 28)

97,449

100,010

234,467

195,078

331,916

295,088

### Note 5 : Short Term Borrowings

#### Unsecured Loan

-From Holding company

28,148,804

28,897,513

28,148,804

28,897,513

(Principal & Interest are repayable on demand bearing interest rate of 14% per annum.)

There is no default as on Balance Sheet date in repayment of Loan.

### Note 6: Current Liabilities and Provisions

#### Trade Payable

-Dues to Micro and Small Enterprises

-Dues to other than Micro and Small Enterprises

3,220,832

3,220,832

3,220,832

3,220,832

### Note 7: Other Current Liabilities

Interest Accrued but not due on borrowings

Expenses payable

Duties & Taxes payable

Other payables

13,936,976

10,727,285

310,452

373,274

1,916,484

1,871,352

-

107,528

16,163,912

13,079,439

### Note 8 :Short Term Provisions

-Provision for Gratuity\*

-Provision for Leave Encashment\*

\* Refer Note 28

11,358

10,006

4,632

4,951

15,990

14,957



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**SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED**

**Notes to Financial Statements**

**Note 9 : Tangible Assets**

Amount (Rs.)

Particulars	Gross Carrying Value			Depreciation			Net Carrying Value	
	As at April 1, 2016	Additions during the year	Deductions during the year	As at March 31, 2017	For the Year	Amount adjusted with General Reserve	Deductions during the year	As at March 31, 2017
Computers	983,913	-	-	983,913	-	-	-	958,116
Office Equipments	139,097	-	-	139,097	-	-	-	132,392
Office Furniture	33,947	-	-	33,947	2,390	-	-	28,659
<b>Total</b>	<b>1,156,957</b>	<b>-</b>	<b>-</b>	<b>1,156,957</b>	<b>2,390</b>	<b>-</b>	<b>-</b>	<b>1,119,167</b>
Previous year	1,156,957	-	-	1,156,957	5,267	-	-	1,116,777
								<b>37,790</b>
								<b>40,180</b>



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**SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED**

	As At March 31, 2017 Amount (Rs.)		As At March 31, 2016 Amount (Rs.)	
	Nos.		Nos.	
<b>Note 10 : Non-Current Investments</b> (Fully paid unless otherwise specified)				
<b>Long Term, Trade</b>				
- Unquoted				
- In Subsidiary Company				
- In Equity Shares				
Shristi Udaipur Hotels & Resorts (P) Ltd. of Rs. 10/-each	3,000,000	30,000,000	3,000,000	30,000,000
<b>Total</b>		<u>30,000,000</u>		<u>30,000,000</u>
<b>Note 11: Long Term Loans and Advances</b>				
Income Tax Advances, Tax Deducted at Source*		1,496,064		1,938,582
*Net of Provisions for Income Tax Rs.NIL (Previous year Rs. NIL)		<u>151,459</u>		<u>135,919</u>
Advance recoverable in cash or in kind or for value to be received		<u>1,647,523</u>		<u>2,074,501</u>
<b>Note 12: Other Non-Current Assets</b>				
Interest Accrued but not due		<u>64,713</u>		<u>47,103</u>
		<u>64,713</u>		<u>47,103</u>
<b>Note 13: Trade Receivables</b>				
<b>Unsecured and Considered good</b>				
-Outstanding for a period exceeding six months from the date they are due for payment				
-Others*	51,167,968		54,924,736	
	<u>-</u>	<u>51,167,968</u>	<u>-</u>	<u>54,924,736</u>
<b>Note 14: Cash and Bank Balances</b>				
<b>A- Cash &amp; Cash Equivalents</b>				
Cash-in-hand				
Balances with Banks	23,710		46,410	
- in Current Accounts				
<b>B- Other Bank Balances</b>	359,426		152,248	
- in Fixed Deposits*	<u>200,000</u>	<u>583,136</u>	<u>200,000</u>	<u>398,658</u>
*FD amounting to Rs.2,00,000/- given as EMD (Previous year Rs.2,00,000/-)				
Fixed deposits having maturity after one year from the reporting date - Nil (Previous year - Nil)				
Fixed deposits with more than twelve months maturity from the date of acquisition : Rs. 2,00,000/- (Previous year 2,00,000/-) and Fixed deposits upto 3 months maturity from the date of acquisition - Rs. Nil (Previous year - Nil)				
<b>Note 15: Short Term Loans and Advances</b>				
<b>Unsecured and Considered good</b>				
Earnest Money Deposit		99,911		199,911
Advances to staff and other		153,827		-
Advance recoverable in cash or in kind or for value to be received		<u>757,718</u>		<u>758,850</u>
		<u>1,011,456</u>		<u>958,761</u>
<b>Note 16: Other Current Assets</b>				
Project in Progress*		<u>2,453,060</u>		<u>2,453,060</u>
		<u>2,453,060</u>		<u>2,453,060</u>

\*The project in progress of Rs. 24,53,060 has been netted off from the respective heads of the Schedule of Other expenses in previous years



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**SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED**
**Notes to Financial Statements**
**Note 17: Revenue from Operations**

Consultancy Income

	Year ended March 31, 2017 Amount ( Rs. )	Year ended March 31, 2016 Amount ( Rs. )
Consultancy Income	-	-
	<u>-</u>	<u>-</u>

**Note 18: Other Income**

 Interest Income  
 Interest on Income Tax Refund  
 Misc. Income

Interest Income	19,567	19,417
Interest on Income Tax Refund	80,723	46,550
Misc. Income	-	2,080
	<u>100,290</u>	<u>68,047</u>

**Note 19: Employee Benefit Expense**

 Salaries, Wages, Gratuity & staff cost  
 Staff Welfare

Salaries, Wages, Gratuity & staff cost	1,606,261	1,537,889
Staff Welfare	3,500	2,000
	<u>1,609,761</u>	<u>1,539,889</u>

**Note 20: Finance Cost**

 Interest -to Holding company  
 Other Interest  
 Bank Charges




Interest -to Holding company	3,566,323	3,631,506
Other Interest	129	17,970
Bank Charges	1,584	600
	<u>3,568,036</u>	<u>3,650,076</u>

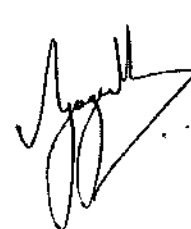
**Note 21: Other Expense**

 Professional Consultancy Fees  
 Books & Periodicals  
 Festival Expenses  
 Postage, Telephone & Internet charges  
 Travelling, Boarding & Conveyance expenses  
 Advertisement & Business Promotion  
 Fee, Membership & Subscription  
 Printing & Stationery Expenses  
 Miscellaneous Expenses  
 Insurance Expenses  
 Sundry Debtors Written off  
 Legal & Professional Charges  
 Payment to Auditors:  
 -Audit Fee

Professional Consultancy Fees	550,000	64,500
Books & Periodicals	-	150
Festival Expenses	4,300	4,000
Postage, Telephone & Internet charges	20,997	22,422
Travelling, Boarding & Conveyance expenses	671,608	471,724
Advertisement & Business Promotion	677	20,324
Fee, Membership & Subscription	2,202	18,632
Printing & Stationery Expenses	1,720	1,550
Miscellaneous Expenses	5,200	-
Insurance Expenses	1,610	1,254
Sundry Debtors Written off	1,905,768	-
Legal & Professional Charges	36,000	-
Payment to Auditors: -Audit Fee	25,000	25,000
	<u>3,225,082</u>	<u>629,556</u>







## SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

### Notes to Financial Statements

#### Note – 1 Significant Accounting Policies & Practices

##### **A. BACKGROUND AND NATURE OF OPERATIONS**

The company was incorporated on June 20<sup>th</sup>, 2005 as a joint venture (JV) in the ratio of 60:40 between Shristi Infrastructure Development Corporation Limited ("SIDCL") and Housing And Urban Development Corporation Limited (HUDCO") respectively, in order to promote, establish, monitor, collaborate, construct, either through public and/or private participation, and to act as special purpose vehicle (SPV) for entering into understanding and joint ventures with various Central and State Governments, their corporations, technology and domain experts, in and outside India, for development, creation, expansion and modernization of housing, commercial, social and Urban Development facilities. Further the shares held by SIDCL got transferred to Shristi Housing Development Limited w.e.f 31.03.2009. Shristi Housing Development Limited has been amalgamated with Shristi Infrastructure Development Corporation Limited w.e.f 31.03.2016.

##### **B. SIGNIFICANT ACCOUNTING POLICIES**

###### **i) ACCOUNTING CONVENTIONS**

The Company follows the mercantile system of accounting and recognizes Income and Expenditure on accrual basis. The accounts are prepared on historical cost basis, as a going concern, in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 2013 & Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

- ii) 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. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

###### **iii) USE OF ESTIMATES**

The presentations of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

###### **iv) REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

###### **a. Income from services**

Revenue is recognized when significant milestones are achieved as per terms of contracts / agreements with the clients. Amount realized against the invoices raised to the customers before commencement of assignments are shown as advance from customers under the head



*Signature of S. S. Kothari Mehta & Co.*

*Signature of S. S. Kothari Mehta & Co.*

## SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

of current liability. Direct project expenditure incurred on assignments not completed at the end of the year is carried forward as project-in-progress.

b. Interest

Interest is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

c. Dividends

Dividend is recognized when shareholders'/ unit holder's rights to receive payment is established by the Balance Sheet date.

v) **FIXED ASSETS**

Fixed Assets are stated at cost of acquisition /purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, etc. up to the date the asset is ready for its intended use. Credit of duty, if availed is adjusted in the acquisition cost of the respective fixed assets.

vi) **DEPRECIATION**

The company has provided for depreciation using Written Down Value method over the useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.

a. Depreciation on fixed assets is provided on Written Down Value Method as per the useful life given below:

Furniture & Fixtures	10 years
Computers	3 years
Office Equipment's	5 years

b. Depreciation on additions/deductions is provided from the date of their acquisition/ up to the date of their disposal.

c. Assets individually costing below Rs.5,000/- are fully depreciated during the year they are put to use.

## VII) IMPAIRMENT OF ASSETS

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment.



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## SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

### viii) **FOREIGN EXCHANGE TRANSACTIONS**

- a. Foreign currency transactions are recorded at exchange rates prevailing on the date of such transactions.
- b. Foreign currency monetary assets and liabilities remaining unsettled at the year end are translated at the closing exchange rate. Gain and losses on account of exchange difference either on settlement or on translation is recognized in the relevant head of Statement of Profit & Loss.
- c. Non-monetary items denominated in foreign currency are reported using exchange rate prevailing on the date of transactions.

### ix) **EMPLOYEE BENEFITS**

Gratuity and Leave Encashment are provided for on accrual basis computed as per Actuarial Valuation made at the end of each financial year in accordance with AS-15 (Revised).

### x) **BORROWING COST**

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as apart of those assets. Other Borrowing Costs are recognized as an expense in the period to which they relate.

### xi) **INVESTMENTS**

Investments are classified into long term or current. Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are valued at lower of cost and market rate on individual investment basis.

### xii) **TAXATION**

Income tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax as stated below

#### a) **Current Tax**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.

#### b) **Deferred Tax**

- i. Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- ii. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.



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## SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

### xiii) LEASES

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

### xiv) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### xv) CASH FLOW STATEMENT

Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.

### xvi) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.



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## SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

### 22. Contingent Liabilities:

Claim by a party amounting to Rs.20,08,312/- (Previous year Rs. 20,08,312/-) not acknowledged as debt by the company.

23. In respect of the trade receivables exceeding six months which are mostly from government authorities, the company is in regular communication with these debtors for recovery thereof; accordingly the management is of the view that all these dues are good and fully recoverable, hence no provision in this regard has been considered necessary.
24. Balances of certain debtors and creditors are in the process of confirmation/reconciliation.
25. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.
26. As per the information available with the company, there are no dues to any Micro & Small enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 as on 31.03.2017. Further no interest has been paid during the year and payable as on 31<sup>st</sup> March, 2017 to such parties.
27. Disclosure Regarding Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as below

	SBNs (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on 08.11.2016	2,16,000	10,429	2,26,429
(+) Permitted receipts	-	50,000	50,000
(-) Permitted payments	-	26,229	26,229
(-) Amount deposited in Banks	2,16,000	-	2,16,000
Closing cash in hand as on 30.12.2016	-	34,200	34,200

### 28. Employee Benefits

The Company has defined retirement benefit for the benefit of its employees. The provisions made as per Actuarial valuation.

Disclosures as required by Accounting Standard-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

#### a) Net expenses recognized during the year 2016-17

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Current service cost	1,584	1,487	27,412	25,739
- Interest cost	7,764	10,284	16,909	16,006



*Est. Chandigarh*

*SP 2111*

*Angela*

**SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED**

- Expected return on plan assets	--	--	--	--
- Curtailment cost/(credit)	--	--	--	--
- Settlement cost/(credit)	--	--	--	--
- Past Service Cost	--	--	--	--
- Actuarial (gain)/loss on obligation	(12,228)	(58,252)	(3,580)	(30,640)
<b>Total</b>	<b>(2,880)</b>	<b>(46,481)</b>	<b>40,741</b>	<b>11,105</b>

**b) Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03.2017:**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Present value of Defined Benefit Obligation	1,02,081	1,04,961	2,45,825	2,05,084
- Fair value of plan assets	--	--	--	--
- Funded status [Surplus/(Deficit)]	(1,02,081)	(1,04,961)	(2,45,825)	(2,05,084)
- Unrecognized Past Service Costs	--	--	--	--
- Estimated Net asset/(liability) recognized in balance sheet	(1,02,081)	(1,04,961)	(2,45,825)	(2,05,084)

**c) Change in the obligation for the year ended 31.03.2017**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Present value of Defined Benefit Obligation as at the beginning of the year	1,04,961	1,51,442	2,05,084	1,93,979
- Interest cost	7,764	10,284	16,909	16,006
- Past service cost	--	--	--	--
- Current service cost	1,584	1,487	27,412	25,739
- Curtailment cost/(Credit)	--	--	--	--
- Settlement cost/(Credit)	--	--	--	--
- Benefits paid	-	-	--	--
- Actuarial (gain)/loss on obligation	(12,228)	(58,252)	(3,580)	(30,640)
- Present value of Defined Benefit Obligation as at the end of the year	1,02,081	1,04,961	2,45,825	2,05,084



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*Signature of S.S. Kothari Mehta & Co.*

# SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

## d) Changes in fair value of Plan Assets

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Plan asset at the beginning of the year	--	--	--	--
- Expected return of plan assets	--	--	--	--
- Actual company contributions	-	-	--	--
- Employee contribution	--	--	--	--
- Actuarial Gain/Loss on Plan Assets	--	--	--	--
- Benefits paid	-	-	--	--
- Plan assets at the end of the year	--	--	--	--

## e) Principal actuarial assumption

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Discount rate per annum compound	7.50%	8.00%	7.50%	8.00%
- Rate of increase in Salaries	6.00%	6.00%	6.00%	6.00%
- Rate of return on plan assets	0%	0%	0%	0%
- Expected Average remaining working lives of employees (years)	11.23	12.23	11.23	12.23

In view of the management, eligibility for sick leave is insignificant based on the past experience; hence no provision in this regard has been considered necessary.

Amounts recognized as expenses and included in Note no. 19 Item Salaries, wages, Gratuity & Staff Cost includes Gratuity of Rs. 40,741/- ( Previous year Rs. 11,105/-) & Leave Encashment of Rs.(2,880/-) (Previous year .(46,481/-)

29. The Company is primary engaged in the business of "Consultancy Services", which as per Accounting Standard – 17 on "Segment Reporting" is considered to be only reportable business segment. As the Company revenue from Indian Markets is more than 90% of the total revenue, there are no reportable geographical segments. All the assets are also located in India.

## 30. Related Party Transactions:

As per Accounting Standard-18, the Company's related parties and transactions are disclosed below:



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# SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

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

### i. Holding company of Reporting Enterprise

Shristi Infrastructure Development Corporation Limited (SIDCL)

### ii. Subsidiary company of Reporting Enterprise

Shristi Udaipur Hotels & Resorts Private Limited (SUHRPL)

### iii. Investing Party of Reporting Enterprise:

Housing & Urban Development Corporation Limited

### iv. Fellow Subsidiaries:

Kanchan Janga Integrated Infrastructure Development Private Limited

Vipani Hotels & Resort Private Limited

East Kolkata Infrastructure Development Private Limited

Medi-Net Services Private Limited

Finetune Engineering Services Private Limited

Border Transport Infrastructure Development Limited

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

### Transactions with Related Parties

S. No.	Relationship	Nature of Expenses Amount	Current Year (Rs.)	Previous Year (Rs.)
1.	Holding Company	Unsecured Loan taken	20,41,291/-	16,41,000/-
		Unsecured Loan paid	7,90,000/-	NIL
		Interest on Loan	35,66,323/-	36,31,506/-
		<b>Closing Balance</b>		
		Interest Payable	1,39,36,976/-	1,07,27,285/-
		Unsecured Loan	2,81,48,804/-	2,68,97,513/-
2.	Subsidiary Company	Reimbursement of Expenses	NIL	NIL
		<b>Closing Balance</b>		
		Investment in Equity	3,00,00,000/-	3,00,00,000/-
		Reimbursement of Expenses	7,53,657/-	7,53,657/-
3	Company Secretary (Mr. Yogesh Upadhyay)	Salary	12,16,800/-	12,16,800/-
		<b>Closing Balance</b>		
		Salary Payable	1,57,060/-	1,51,100/-



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# SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

## 31. Earning Per Share

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Profit/(Loss) after tax as per Statement of Profit & Loss	(82,94,891/-)	(58,06,355/-)
Weighted average number of Equity Shares outstanding	50,00,000	50,00,000
Basic & Diluted Earning per share	(1.659)	(1.161)

32. The company has recognized following deferred tax assets and liabilities determined on account of timing differences in accordance with Accounting Standard – 22 "Accounting of taxes on Income"

Particulars	As At 31st March 2017 (Rs.)	As At 31st March 2016 (Rs.)
Fixed assets	(2,217)	(3,828)
Deferred Tax Liability / (Asset) (A)	(2,217)	(3,828)
Difference due to Sec.43B	1,07,503	95,804
Deferred Tax Asset (B)	1,07,503	95,804
<b>NET DEFERRED TAX ASSETS/(LIABILITY) (B-A)</b>	<b>1,09,720</b>	<b>99,632</b>

33. Previous year figures have been regrouped/ recast/rearranged wherever necessary to conform to this year's classification.
34. Note no. 1 to 34 form an integral part of the financial statements.

As per our report of even date attached.

For S. S.Kothari Mehta & Co.

On behalf of the Board

Chartered Accountants

Firm Regn No. 000746N

Yogesh Kumar Gupta  
Partner  
Membership No. 093214

Sujit Kanoria  
(Director)  
DIN-01175425

Kamta Nath Pandey  
(Director)  
DIN-00694714

Duraiswamy Guhan  
(Director)  
DIN-06757569

Place: New Delhi  
Date: 22-05-2017

Yogesh Kumar Upadhyay  
(Company Secretary)  
Membership No. F6750

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
Shristi Udaipur Hotels & Resorts Private Limited  
New Delhi

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Shristi Udaipur Hotels & Resorts Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Cash Flow Statement for the year then ended, and 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 of these financial statements that give a true and fair view of the financial position 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 relevant rules issued thereunder. 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 thereunder.

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 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 qualified audit opinion on these financial statements.

**Basis for Qualified Opinion**

*Reference is invited to note no. 17 of the Financial Statements regarding the amount incurred so far on the project amounting to Rs. 2997 lacs including service tax recoverable being considered good and fully recoverable, pending certain clearances from various authorities and non-provision of the sub-lease rental amounting to Rs. 478.50 lacs for the reasons as explained in the said note. We cannot comment on the recoverability and non-provisioning of such amounts.*

**Qualified Opinion**

*In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, 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, 2017 and its cash flows for the year ended on that date.*

**Report on Other Legal and Regulatory Requirements**

- (i) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central government of India in the terms of Section 143 of the Companies Act 2013, we give in the "Annexure 1" a statement on the matters specified in Paragraph 3 & 4 of the order, to the extent applicable.
- (ii) 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the balance sheet and the cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on functioning of the company.
  - (f) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



- (g) 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 2".
- (h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16 & 17 to the Financial Statements
  - 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.
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 22 to the financial statements.

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No. 000786N

Yogesh K. Gupta

Partner

Membership No. 093214



Place : **NEW DELHI**

Date : **22-05-2017**

**ANNEXURE 1 TO THE AUDITOR'S REPORT**

(As referred in paragraph 'Report on Other Legal and Regulatory Requirements' of our report to the members of **Shristi Udaipur Hotels & Resorts Private Limited** on the accounts for the year ended March 31, 2017)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the company during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of such verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) Company does not possess any immovable property hence the provision of clause 3 (i) (c) of the Order is not applicable to the company.
- (ii) The company does not hold any inventory. Hence, the provision of Clause 3 (ii) of the Order is not applicable to the company.
- (iii) As per the information and explanations provided to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year.
- (iv) As per the information and explanations provided to us, the company has not given any loans, investments, guarantees and security in terms of section 185 and 186 of the Companies Act, 2013 during the year.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provision of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of services carried out by the company. Therefore, provisions of Clause 3 (vi) of the order are not applicable to the company.
- (vii) (a) The Company, has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Value added Tax and Cess and any other material statutory dues applicable to it *though there has been a slight delay in few cases.*



According to information and explanations given to us, no undisputed amounts is payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of customs, Duty of Excise, Value added Tax and cess which were in arrears as at March 31, 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 Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise & Value Added Tax which have not been deposited on account of any dispute.
- (viii) *In our opinion and according to the information & explanations given to us, in the previous years, the financial institution has recalled the entire loan amount (outstanding Rs. 5,00,00,000 as on 31<sup>st</sup> March, 2017) citing "Event of Default" as outlined in loan agreement executed by the company for its failure to pay rental to sub-lessor in respect of the property mortgaged in favour of the financial institution pending adjudication on the title of a portion of loan by High Court of Jodhpur. The company has preferred writ petition challenging such recall before the Hon'ble High Court of Jaipur Bench. Since the matter is sub-judice, the amount of default, if any, is unascertainable. Also, the company has not paid interest amounting to Rs. 1,68,83,288 for previous years and Rs. 80,00,000 for current year due on such loan. The company has not issued any debentures.*
- (ix) The company has not raised money by way of initial public offer or further public offer during the year. The term loans have been applied for the purposes for which they were raised.
- (x) Based upon the audit procedure performed for the purpose of reporting the true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) Provision of Section 197 read with Schedule V to the Companies Act for providing managerial remuneration with the requisite approvals is not applicable to the company. Therefore, provision of Clause 3 (xi) of the order is not applicable to the company.
- (xii) As the company is not a Nidhi Company, therefore provisions of Clause 3 (xii) is not applicable to the company.
- (xiii) As per the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 wherever applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards. Section 177 of the Companies Act, 2013 is not applicable on the company.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment/ private placement of shares or full or partly convertible debentures during the year under review.
- (xv) According to the information and explanation provided to us, the company has not entered into any non-cash transactions with the directors or persons connected with them.



- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **S. S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No. 000756N



**Yogesh K. Gupta**

Partner

Membership No. 093214

Place : **NEW DELHI**

Date : **22-05-2017**

**ANNEXURE 2 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 **Shristi Udaipur Hotels & Resorts Private Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the 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 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 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 qualified 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.

**Qualified Opinion**

*According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2017:*

*We are unable to comment on the management assessment on the non-provision of the sub-lease rental and recoverability/realization of the amount lying in Capital work in progress including service tax recoverable as detailed in our main report, since the operations of the company have been disrupted since earlier years and no operational activities have been carried out by the company during the year.*

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, commensurate with the size of the company & nature of its business, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 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



**S S KOTHARI MEHTA & CO**

Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India", to the extent applicable.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the Company, and the material weakness has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For **S. S. KOTHARI MEHTA & CO.**  
Chartered Accountants

Firm Reg. No. 000756N

**Yogesh K. Gupta**  
Partner  
Membership No. 093214



Place : **NEW DELHI**  
Date : **21-05-2017**

**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**  
Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31.03.2017 Amount (in Rs.)	As at 31.03.2016 Amount (in Rs.)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	2	49,500,000	49,500,000
<b>(2) Non-Current Liabilities</b>			
(a) Long term borrowings	3	312,143,578	309,207,908
(b) Other Long term liabilities	4	1,867,000	1,867,000
(c) Long term Provisions	5	60,760	50,213
<b>(3) Current Liabilities</b>			
(a) Other Current liabilities	6	81,099,524	72,826,860
(b) Short term Provisions	7	188,163	158,010
<b>Total</b>		<b>444,859,025</b>	<b>433,609,991</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	81,328	106,468
(ii) Capital work-in-progress	9	289,499,607	278,496,580
(b) Long term loans and advances	10	154,252,652	154,037,268
<b>(2) Current assets</b>			
(a) Cash and Bank Balances	11	722,835	693,616
(b) Short term loans and advances	12	-	18,843
(c) Other current assets	13	302,603	257,436
<b>Total</b>		<b>444,859,025</b>	<b>433,609,991</b>

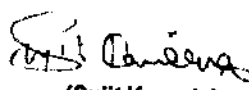
The Accompanying Notes are Integral part of Financial Statements


As per our report of even date attached  
For S.S.Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

Yogesh Kumar Gupta  
Partner  
Membership No.093214



For & on behalf of the board

  
(Sujit Kanoria)  
Director  
DIN-01175425

  
(Duraiswamy Guhan)  
Director  
DIN-06757569

Place : New Delhi  
Date : 22-05-2017

**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**  
Cash Flow Statement for the year ending March 31, 2017

Particulars	Amount (In Rs.) Current Year	Amount (In Rs.) Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Taxation and Extraordinary activities	-	-
Adjustments for:		
Depreciation	25,140	37,780
Interest Expenses	8,000,000	8,021,918
Interest Income	(45,167)	(43,739)
Loss on sale of Fixed Assets	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>7,979,973</b>	<b>8,015,939</b>
Adjustments for:		
(Increase) / Decrease in Long Term Loans & Advances	(215,384)	(63,490)
(Increase) / Decrease in Short Term Loans & Advances	18,643	(13,643)
Increase / (Decrease) in Other Current Liabilities	272,684	(215,589)
Increase / (Decrease) in Long Term Provisions	10,547	27,081
Increase / (Decrease) in Short Term Provisions	30,153	70,481
<b>Net Cash From Operating Activities</b>	<b>8,096,596</b>	<b>7,820,758</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	-	-
Capital Work in Progress	(11,003,047)	(10,531,436)
<b>Net Cash From Investing Activities</b>	<b>(11,003,047)</b>	<b>(10,531,436)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Re-payment) from Long Term Secured Borrowings	-	-
Proceeds from Long Term Unsecured Loans	2,935,670	2,747,892
Interest Paid	-	-
	<b>2,935,670</b>	<b>2,747,892</b>
<b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>29,219</b>	<b>37,015</b>
Opening Cash and cash equivalents	393,616	358,801
Closing Cash and cash equivalents	422,835	393,816
<b>Components of Cash and cash equivalents</b>		
Cash in Hand	34,247	127,053
Balances with Bank	388,588	266,563

Note:

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statement"
- 2 Figures in brackets denote cash outflow

As per our report of even date attached  
For S.S.Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756

Yopesh Kumar Gupta  
Partner  
Membership No. 093214  
Place : New Delhi  
Date : 22-05-2017



For Shristi Udaipur Hotels & Resorts Pvt.Ltd.

*(Signature)*  
(Sujit Kanoria)  
Director  
DIN-01175425

*(Signature)*  
(Duraiwamy Guhan)  
Director  
DIN-06757569

## Notes to Financial Statements

As at 31.03.2017 As at 31.03.2016  
Amount (in Rs.) Amount (in Rs.)

## Note - 2: Share Capital

## Authorized

10,000,000 (Previous year 10,000,000) equity shares of Rs.10/- each

100,000,000 100,000,000

## Issued, Subscribed &amp; Paid up

4,950,000 (Previous year 4,950,000) equity shares of Rs.10/- each fully paid up

49,500,000 49,500,000  
49,500,000 49,500,000

Shares issued/boughtback during the year: NIL

## Details of each shareholder holding more than 5% shares

Name of shareholder	As at 31st March, 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shristi Urban Infrastructure Development Ltd.-Holding Company	3,000,000	60.61	3,000,000	60.61
Shristi Infrastructure Development Corporation Limited- Holding Company	1,950,000	39.39	1,950,000	39.39

## Note-3 :Long Term Borrowings

## Secured Loan

Term Loan From Financial Institution

50,000,000 50,000,000

(Secured by mortgage/hypothecations of the project immovable and moveable properties and personal guarantee of Promoter Director)

## Unsecured Loan

Loan from Holding Company (Interest free)

312,143,578 309,207,908

Less: Current maturities of Long term borrowings

382,143,578 359,207,908

Total

50,000,000 50,000,000

312,143,578 309,207,908

Terms of Repayment for secured term loan:

Secured Term Loan from HUDCO is repayable in 43 unequal quarterly installments. Installment 1-4 of Rs. 25,00,000 each, Installment 5-8 of Rs. 50,00,000 each, Installment 9-12 of Rs. 75,00,000 each, Installment 13-16 of Rs. 100,00,000 each, Installment 17-28 of Rs. 150,00,000 each, Installment 29-32 of Rs. 175,00,000 each, Installment 33-43 of Rs. 3,09,81,000 each, payable at the end of each quarter starting from 31st August 2012 to 28th February 2023. Interest accrued is payable at the end each quarter. The current rate of interest of the same is 16.00% per annum.

Refer Note 16 of the Financial Statements

## Note- 4 :Other Long Term Liabilities

Security Deposits Received

1,867,000 1,867,000

1,867,000 1,867,000

## Note- 5 :Long Term Provisions

## Provisions

Provision for Leave Encashment

24,429 16,998

Provision for Gratuity

36,331 33,215

(Refer Note 23)

60,760 50,213

## Note-6 :Other Current Liabilities

Current Maturities of long term loan

50,000,000 50,000,000

Interest Accrued but not due on borrowings

- -

Interest Accrued &amp; due on borrowings

24,883,288 16,883,288

Other Payables

4,013,224 4,013,224

- Sub-lease rental accrued &amp; due

2,153,153 1,922,888

- Expenses payables

48,859 7,460

- Other Liabilities

81,099,524 72,826,860

## Note- 7 :Short Term Provisions

## Provisions

Provision for Leave Encashment

74,457 56,935

Provision for Gratuity

113,708 101,075

(Refer Note 23)

188,163 158,010



*[Handwritten signature]*

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Note- 8: Tangible Assets

Amount (in Rs.)

Particulars	Gross Carrying Value			Depreciation			Net Carrying Value		
	As at March 31, 2016	Additions during thePeriod	Deduction during the year	As at March 2017	Up to March 31, 2016	For the Period	Deduction during the year	As at March 31, 2017	As at March 31, 2016
Computers	266,321	-	-	266,321	254,275	-	-	12,046	12,046
Office Equipments	126,784	-	-	126,784	119,816	629	-	6,339	6,968
Plant & Machinery	15,764	-	-	15,764	9,219	1,253	-	5,292	6,545
Furniture & Fixtures	277,770	-	-	277,770	196,861	23,258	-	57,651	80,909
Total	686,639	-	-	686,639	580,171	25,140	-	81,328	106,468
As on 31.03.2016	686,639	-	-	686,639	542,411	37,760	-	106,468	-



S. S. Chaudhary

**Note-9 :Capital Work In Progress (Including pre-operative expenses pending allocation/charge off)**

Land & Site Development  
Approvals  
Architectural Fee & Project Consultancy  
Civil Work  
Personnel Expenses  
Administrative Expenses  
Finance Cost (Net)  
Depreciation

As at March 31, 2017	As at March 31, 2016
25,092,415	25,092,415
6,414,465	6,414,465
29,391,490	28,159,990
32,185,453	32,183,843
68,155,336	67,166,835
45,859,197	45,058,476
81,795,940	73,840,565
605,311	580,171
<b>289,499,607</b>	<b>278,496,560</b>

**Note-10: Long Term Loans and Advances****Unsecured and Considered Good**

Capital Advance - Mobilization Advance to Civil Contractor (Shristi Infrastructure Development Corp.Ltd.-Holding Company)  
Security Deposits  
Advance recoverable in cash or in kind or for value to be received

137,230,120	137,230,120
4,844,430	4,844,430
12,178,102	11,962,718
<b>154,252,652</b>	<b>154,037,268</b>

**Note -11 :Cash and Bank Balances****A- Cash & Cash Equivalent**

Cash in hand  
Balances with Banks

34,247	127,053
388,588	266,563

**B- Other Bank Balances**

Fixed Deposit\*

300,000	300,000
---------	---------

\*includes Rs.3,00,000/- (Previous Year: 3,00,000) deposited with UIT Udaipur

<b>722,835</b>	<b>693,616</b>
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**Note- 12 :Short Term Loans and Advances****Unsecured and Considered Good**

Advance recoverable in cash or in kind or for value to be received

-	18,643
---	--------

-	18,643
---	--------

**Note - 13 :Other Current Assets**

Interest accrued but not due

302,603	257,436
<b>302,603</b>	<b>257,436</b>



*Signature*

**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

**Notes to Financial Statement**

**Note no. 1: Significant Accounting Policies & Practices**

**A. BACKGROUND AND NATURE OF OPERATIONS**

The company was incorporated on 2<sup>nd</sup> February, 2007 as promoted by Shristi Urban Infrastructure Development Ltd. to carry on the business of hotels, motels, resorts, restaurants, shopping complex, commercial complex, multiplex etc. and related activities.

**B. SIGNIFICANT ACCOUNTING POLICIES & PRACTICES**

**1. ACCOUNTING CONVENTIONS**

The Company follows the mercantile system of accounting and recognizes Income and Expenditure on accrual basis. The accounts are prepared on historical cost basis, as a going concern, in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 2013 & Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

2. 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. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**3. USE OF ESTIMATES**

The presentations of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

**4. FIXED ASSETS**

- a. Fixed Assets are stated at cost of acquisition/ purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, interest etc. up to the date the asset is ready for its intended use.
- b. Capital Work in Progress (CWIP) is carried at cost, comprising direct cost and related incidental expenses and interest on borrowings to the extent attributed to them including capital advances.

**5. DEPRECIATION**

The company has provided for depreciation using Written Down Value method over the useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.



*Signature*



## **Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

- i) Depreciation on fixed assets is provided on Written Down Value Method as per the useful life given below:

Furniture & Fixtures	10 years
Computers	3 years
Office Equipment's	5 years
Plant & Machinery	15 years
Motor Vehicles	8 years

- ii) Depreciation on additions/deductions is provided from the date of their acquisition/ up to the date of their disposal.

- iii) Assets individually costing below Rs.5,000/- are fully depreciated during the year they are put to use.

### **6. Impairment of Assets**

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment.

### **7. MISCELLANEOUS EXPENDITURE**

Preliminary Expenses shall be written off in the year, the company commences the commercial Operations.

### **8. EMPLOYEE BENEFITS**

Gratuity and Leave Encashment are provided for on accrual basis computed as per Actuarial Valuation made at the end of each financial year in accordance with AS-15 (Revised).

### **9. LEASES**

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

### **10. TAXATION**

#### **a. Current Tax**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.



*Sgt. Tanish*

**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

**b. Deferred Tax**

- i) Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences.
- ii) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**11. CASH FLOW STATEMENT**

Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.

**12. BORROWING COST**

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as a part of those assets. Other Borrowing Costs are recognized as an expense in the period to which they relate.

**13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.



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**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

14. No Statement of Profit & Loss has been prepared since the company has not commenced commercial operations.

**15. Capital Commitment**

Estimated amount of Capital Commitments remaining to be executed (Net of advances) -- Rs.1,23,22,84,433/- (Previous Year -- 1,23,22,84,433/-).

**16. Contingent Liabilities:**

Lease deed between company and sub-lessor states that land should be free from encumbrance. However, the title of a portion of land is disputed by the Forest Deptt. The Company has disputed its liability for payment of rentals to sub-lessor till the matter is finally adjudicated upon. There is JV between HUDCO and Company and if company has continue payment of rent for disputed land, then as JV partner HUDCO would have raised question of such rent.

Despite being informed of the litigation between sub-lessor and Forest Deptt, HUDCO has treated the non-payment of rental to sub-lessor as event of default and recalled the loan. The company has challenged such recall by a writ petition filed before Hon'ble High Court of Rajasthan at Jaipur and same is sub-judice.

17. (A) During the financial year progress of the project has been slow due to the fact that certain clearances from various authorities are awaited by the sub-lessors. The management is of the view that the disruption is temporary in nature, the matters will get resolved soon and it will be able to complete the project at much faster pace; accordingly the full amount incurred so far on the project has been considered good and fully recoverable. Further company has initiated arbitration against lessors and Arbitrator has also been appointed.

(B) Consequent upon that no provision has been considered necessary for sub lease rental w.e.f. 01.09.2010 aggregating to Rs.4,78,50,000/-, as management does not consider it as payable. The management is confident that there will be no liability on this account. Being arbitration is pending.

18. As per the information available with the company, there are no dues to any Micro & Small enterprise as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2017. Further no interest has been paid during the year and payable as on 31st March, 2017 to such parties.

19. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

**20. Detail of Capital Work in Progress (including pre-operative expenses) incurred:-**

<u>Particulars</u>	<u>Current year Amount (Rs.)</u>	<u>Previous year Amount (Rs.)</u>
a. Land & Site Development	--	--
b. Approvals	--	--
c. Architectural Fee & Project Consultancy	12,31,500/-	5,22,623/-



*[Handwritten signature]*

**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

d. Civil Work	1,610/-	14,576/-
e. Personnel Expenses	9,88,701/-	12,00,536/-
f. Administrative Expenses*	8,00,721/-	7,77,019/-
g. Finance cost (Net)	79,55,375/-	79,78,922/-
h. Depreciation	25,140/-	37,760/-
<b>Total</b>	<b>1,10,03,047/-</b>	<b>1,05,31,436/-</b>

\* Include Audit Fee Rs. 25000/- (Previous Year Rs. 25000/-)

**21. Operating Lease**

The company has paid operating lease of Rs.NIL/- for the year which has been included in CWIP. (Previous Year Rs.23,754/-). Amount payable during next one year is NIL (Previous year Rs. NIL/-).

**22. Disclosure Regarding Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as below**

	SBNs (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on 08.11.2016	57,000	837	57,837
(+) Permitted receipts	-	50,000	50,000
(-) Permitted payments	-	1,500	1,500
(-) Amount deposited in Banks	57,000	-	57,000
Closing cash in hand as on 30.12.2016	-	49,337	49,337

**23. Employee Benefits**

The Company has defined retirement benefit for the benefit of its employees. The provisions made as per Actuarial valuation.

Disclosures as required by Accounting Standard-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

**a) Net expenses recognized during the year 2016-17**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Current service cost	31,023	30,644	16,779	18,784
- Interest cost	6,481	4,372	10,662	8,420
- Expected return on plan assets	--	--	--	--
- Curtailment cost/(credit)	--	--	--	--
- Settlement cost/(credit)	--	--	--	--
- Past Service Cost	--	--	--	--
- Actuarial (gain)/loss on obligation	(12,551)	3,861	(11,694)	31,461
<b>Total</b>	<b>24,953</b>	<b>38,877</b>	<b>15,747</b>	<b>58,665</b>

**b) Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03.2017:**



*Signature of S.S. Kothari Menta & Co.*

**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Present value of Defined Benefit Obligation	98,886	73,933	1,50,037	1,34,290
- Fair value of plan assets	--	--	--	--
- Funded status [Surplus/(Deficit)]	(98,886)	(73,933)	(1,50,037)	(1,34,290)
- Unrecognized Past Service Costs	--	--	--	--
- Estimated Net asset/(liability) recognized in balance sheet	(98,886)	(73,933)	(1,50,037)	(1,34,290)

**c) Change in the obligation for the year ended 31.03.2017**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Present value of Defined Benefit Obligation as at the beginning of the year	73,933	35,056	1,34,290	75,625
- Interest cost	6,481	4,372	10,662	8,420
- Past service cost	--	--	--	--
- Current service cost	31,023	30,644	16,779	18,784
- Curtailment cost/(Credit)	--	--	--	--
- Settlement cost/(Credit)	--	--	--	--
- Benefits paid	--	--	--	--
- Actuarial (gain)/loss on obligation	(12,551)	3,861	(11,694)	31,461
- Present value of Defined Benefit Obligation as at the end of the year	98,886	73,933	1,50,037	1,34,290

**d) Changes in fair value of Plan Assets**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Plan asset at the beginning of the year	--	--	--	--
- Expected return of plan assets	--	--	--	--
- Actual company contributions	--	--	--	--



*Signature of S.S. Kothari Mehta & Co.*

**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

- Employee contribution	--	--	--	--
- Actuarial Gain/Loss on Plan Assets	--	--	--	--
- Benefits paid	--	--	--	--
- Plan assets at the end of the year	--	--	--	--

**e) Principal actuarial assumption**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2016-17	2015-16	2016-17	2015-16
- Discount rate per annum compound	7.50%	8.00%	7.50%	8.00%
- Rate of increase in Salaries	6.00%	6.00%	6.00%	6.00%
- Rate of return on plan assets	0%	0%	0%	0%
- Expected Average remaining working lives of employees (years)	10.38	18.67	10.38	18.67

In view of the management, eligibility for sick leave is insignificant based on the past experience; hence no provision in this regard has been considered necessary.

Amounts recognized as CWIP and included in Note no. 9 Item Salaries, wages, Gratuity & Staff Cost includes Gratuity of Rs.15,747/- previous year Rs58,665/- & Leave Encashment of Rs. 24,953/- Previous year 38,877/-

**24. Related Party Transaction**

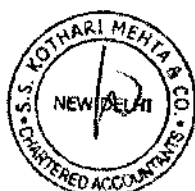
As per Accounting Standard 18, the company's related parties transactions are disclosed below:

**a. List of Related parties & relationships where control exists:**

- (1) **Holding Company**  
Shristi Urban Infrastructure Development Limited (since incorporation)
- (2) **Ultimate Holding Company**  
Shristi Infrastructure Development Corporation limited

**b. Related party & relationship with whom transactions have taken place during the year**

- (1) **Investing party of the Holding Company of the reporting enterprise**  
Housing & Urban Development Corporation Limited (since incorporation)



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**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

**c. Transaction with Related Parties**

S. No.	Name of the Party	Relationship	Nature of Expenses Amount	Current year (Rs.)	Previous Year (Rs)
1	Shristi Urban Infrastructure Development Ltd,	Holding Company	<b>Closing Balance:</b> Reimbursement of Expenses	7,53,657/-	7,53,657/-
2.	Shristi Infrastructure Development Corporation Limited	Ultimate Holding Company	Long Term unsecured loan taken	29,35,670/-	27,47,692/-
			<b>Closing Balance:</b> Long Term unsecured loan Mobilization Advance given	31,21,43,578/- 13,72,30,120/-	30,92,07,908/- 13,72,30,120/-
3	Housing & Urban Development Corporation Limited	Investing Party	Interest on Loan <b>Closing Balance:-</b> Secured Loan Interest payable	80,00,000/- 5,00,00,000/- 2,48,83,288/-	80,21,918/- 5,00,00,000/- 1,68,83,288/-

**25. Earning per Share**

In view of no statement of profit & loss for the year, the calculation of EPS is not applicable.

26. Since the company has not started the commercial operation till March 31, 2017; hence the company cannot calculate deferred tax in accordance with Accounting Standard 22 "Accounting for Taxes on Income." and Segment Reporting in accordance with Accounting Standard 17 is not applicable.

27. Previous year figures have been regrouped/recast/rearranged wherever necessary to conform to this year's Classification.

28. Note no. 1 to 28 form an integral part of the financial statements.

As per our report of even date attached

**For S.S. Kothari Mehta & Co.**

**Chartered Accountants**

Firm Reg. No. 000756N

**Yogesh Kumar Gupta**  
Partner

Membership No. 093214

Place: New Delhi

Dated: 22-05-2017



**For & on behalf of the board**

*Sujit Kanoria*

**Sujit Kanoria**  
Director  
DIN-01175425

*Duralswamy Guhan*

**Duralswamy Guhan**  
Director  
DIN-06757569



**DBK ASSOCIATES**  
Chartered Accountants

**Head Office :**  
P-48C, C.I.T. Road, Ground Floor,  
Kolkata - 700 014  
Phone No : 6459 6195  
Mobile : 9831213607  
email : dbkassociatesd@gmail.com

### INDEPENDENT AUDITORS' REPORT

To the Members of Kanchan Janga Integrated Infrastructure Development Private Limited

#### Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of **Kanchan Janga Integrated Infra. Dev. Pvt.Ltd** ("the Company"), which comprises the balance sheet as at 31<sup>st</sup> March 2017, and the statement of profit and loss and the 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 and presentation 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 and Companies (Accounting Standards) Amendment rules, 2016. 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 standalone financial statements that give a true and fair view and are free from material misstatements, 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 thereunder.

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 standalone financial statements are free from material misstatement.

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 standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances over financial reporting and the operating effectiveness of such controls. 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 standalone 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 standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its cash flows for the year ended on that date.

**Branch Office :** P. Chatterjee, Partner, DBK ASSOCIATES, C/O. Ashok Transport Agency Pvt. Ltd.  
Bano Manzil Road, Garikhana Chowk, Ranchi -1, Jharkhand, Mobile: 98310 69714  
BHUBANESWAR : Plot No.-3161, AT - Chakeisihani, Rasulgarh, Odisha - 751010  
D. Biswas, Mobile - 9681185438





### 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**, a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable to the company.


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;
- (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 standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of written representations received from the directors as at 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors as on 31<sup>st</sup> March 2016 are disqualified from being appointed as a director in terms of Section 164(2) of the Act; and
- (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:
  - i. The Company does not have any pending litigations which would impact the financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Kolkata  
Dated: 19<sup>TH</sup> MAY, 2017



For DBK Associates.  
Chartered Accountants  
Firm's Registration No:322817E

  
**Pulak Chatterjee**  
Partner  
Membership No:056493

**Annexure - A to the Independent Auditor's Report**

**(Refer to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements Of our report of even date to the members of Kanchan Janga Integrated Infrastructure Development Private Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017)**

1. a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of fixed assets.  
b) The Company has a phased program of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with such program, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such 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 deeds of immovable properties are held in the name of the Company.
2. The inventories have been physically verified during the year by management at reasonable intervals and no material discrepancies were noticed on such physical verification.
3. According to the information and explanation given to us and on the basis of our examination of books of account, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has not given loan and guarantee, made investment and provide securities in terms of provisions of section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any Public deposits, thus the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act rules framed there under is not applicable. Accordingly, clause (v) of Paragraph 3 of the order is not applicable to the Company.
6. According to the information and explanations given by the management, maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not applicable to the Company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund and employees' state insurance. No dues in respect of income tax, sales tax, service tax, value added tax, cess and any other statutory dues arose during the year ended 31st March, 2017. As explained to us, the company did not have any dues on account of investor education and protection fund, duty of customs and duty of excise arise during the year.  
b) According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, sales tax, service tax, value added tax, cess which were outstanding at the yearend for a period of more than 6 months from the date they became payable as follows:

Name of the statute	Nature of the dues	Amount RS	Period to which the amount relates
Service tax act, 1994	Service tax	4219040	July 2012 to September 2015

- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax, cess and Service tax which have not been deposited on account of any dispute.
8. The Company doesnot have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(iviii) 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 instruments). Term loans taken during the year have been applied for the purposes for which they were raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by officers or employees has been noticed or reported during the course of our audit.



11. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration paid or provided by the Company is in accordance with the provisions section 197 read with Schedule V to the Act, during the year.
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 explanations given to us and based on our examination of the records of the Company, transactions with the related parties and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
14. According to the information and explanations 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.
15. 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. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India.

Kolkata  
Dated: 19<sup>th</sup> may 2017



For DBK Associates  
Chartered Accountants  
Firm's Registration No: 322817E

**Pulak Chatterjee**  
Partner  
Membership No: 056493

## **Annexure - B to the Independent Auditors' Report**

**(Referrer to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements of our report of even date to the members of Kanchan Janga Integrated Infrastructure Development Private Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017)**

### **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 Kanchan Janga Integrated Infrastructure Development Private Limited 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 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.

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 standalone 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 standalone 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 standalone 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 standalone 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 31 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 Institute of Chartered Accountants of India.

Kolkata

Dated: 19th May, 2017



For DBK Associates

Chartered Accountants

Firm's Registration No:322817E

A handwritten signature in black ink, appearing to read "Pulak Chatterjee".

**Pulak Chatterjee**  
Partner

Membership No:056493

**Kanchan Janga Integrated Infrastructure Development Private Limited****Balance Sheet as at 31st March 2017**

	Note No.	As at 31.03.2017 Amount (in Rs.)	As at 31.03.2016 Amount (in Rs.)
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2A	50,00,000	50,00,000
Reserve and Surplus	2B	60,79,953	48,94,649
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	2,76,78,195	3,45,86,350
Long Term Provisions	4	33,93,473	28,69,426
<b>Current Liabilities</b>			
Short Term Borrowings	5	1,51,80,172	89,07,924
Trade Payable		33,21,487	24,30,429
Other Current Liabilities	6	11,27,31,949	19,50,78,093
Short Term Provisions	7	30,00,000	25,45,916
		<b>17,63,85,229</b>	<b>25,63,12,787</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Tangible Assets	8	4,77,791	6,27,445
Development Right		3,16,82,964	11,64,02,819
Other Non Current Assets	9	2,34,290	2,94,290
		<b>3,23,95,045</b>	<b>11,73,24,554</b>
<b>Current Assets</b>			
Inventories	10	11,77,66,284	11,54,93,084
Cash and Cash Equivalents	11	32,93,450	6,63,795
Short Term Loans & Advances	12	2,29,30,450	2,28,31,354
		<b>14,39,90,184</b>	<b>13,89,88,233</b>
		<b>17,63,85,229</b>	<b>25,63,12,787</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

**DBK Associates**  
Chartered Accountants  
Firm Registration No. 322817E

**Pulak Chatterjee**  
Partner  
Membership No. 056493  
Place : Kolkata  
Date : 19/05/2017



For and on Behalf of the Board

**Sunil Jha**  
Director  
00085667

**Badri Kumar Tulsyan**  
Director  
02447595

# Kanchan Janga Integrated Infrastructure Development Private Limited

## Statement of Profit and Loss for the Year ended 31st March 2017

	Note No.	Year ended 31-03-2017 (Rs.)	Year ended March 31, 2016 (Rs.)
<b>INCOME</b>			
Revenue from operations		13,14,90,096	9,48,50,504
Other Income		-	-
<b>Total Revenue (I)</b>		<b>13,14,90,096</b>	<b>9,48,50,504</b>
<b>EXPENSES</b>			
(Increase)/Decrease in Stock	13	(22,73,200)	3,99,74,806
Direct Project Expenses	14	1,07,92,533	97,63,876
Employee benefit expense	15	2,39,12,753	2,97,94,790
Finance cost	16	72,42,161	36,86,747
Depreciation and amortization expense	8	8,48,84,509	65,661
Other expenses	17	51,46,036	94,68,680
<b>Total Expenses (II)</b>		<b>12,97,04,792</b>	<b>9,27,54,559</b>
<b>Profit/(Loss) before tax</b>		<b>17,85,304</b>	<b>20,95,944</b>
<b>Tax Expenses</b>			
- Current tax		6,00,000	7,00,000
- Earlier tax			
- Deferred tax			
<b>Total tax expenses</b>		<b>6,00,000</b>	<b>7,00,000</b>
<b>Profit/(Loss) for the year</b>		<b>11,85,304</b>	<b>13,95,944</b>
<b>Earning per Equity Share (Face value of Rs. 10 each)</b>			
(1) Basic		2.37	2.79
(2) Diluted		2.37	2.79

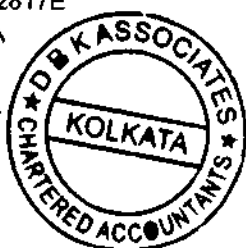
### Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

**DBK Associates**  
Chartered Accountants  
Firm Registration No. 322817E

**Pulak Chatterjee**  
Partner  
Membership No. 056493  
Place : Kolkata  
Date : 19/05/2017



For and on Behalf of the Board

**Sunil Jha**  
Director  
00085667

**Badri Kumar Tulsyan**  
Director  
02447595

**Kanchan Janga Integrated Infrastructure Development Private Limited**  
**Cash Flow Statement Annexed to the Balance Sheet for the year ended 31st March, 2017**

Particulars	Year Ended 31.03.2017 Amount (Rs.) Nil	Year Ended 31.03.2016 Amount (Rs.) Nil
<b>A. CASH FLOW OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Taxation and Extraordinary activities	17,85,304	20,95,944
Adjustments for Profit & Loss A/c		
Increase / (Decrease) in depreciation	1,64,654	65,661
Operating Profit Before Working Capital Changes	19,49,958	21,61,605
Adjustments for:		
Increase / (Decrease) in Trade Receivable	-	-
(Increase) / Decrease in Inventories	(22,73,200)	3,99,74,806
(Increase) / Decrease in short term loans & advances	(39,096)	(7,07,987)
Increase / (Decrease) in Trade Payable	8,91,058	(96,517)
Increase / (Decrease) in other current liabilities	(7,60,73,896)	(7,73,01,240)
Long term Provisions	5,24,047	3,62,555
Short term Provisions	(1,45,916)	
Net Cash From Operating Activities	<b>(7,51,67,045)</b>	<b>(3,56,06,778)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(15,000)	(1,01,499)
Purchase of Development Rights	8,47,19,855	-
	<b>8,47,04,855</b>	<b>(1,01,499)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of Borrowings	(69,08,155)	3,43,74,511
Increase / (Decrease) in Share Capital	-	-
	<b>(69,08,155)</b>	<b>3,43,74,511</b>
<b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>26,29,655</b>	<b>(13,33,765)</b>
Opening Cash and cash equivalents	6,63,795	19,97,563
Closing Cash and cash equivalents	32,93,450	6,63,797
Closing Cash and cash equivalents as per Balance Sheet	<b>32,93,450</b>	<b>6,63,795</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

**DBK Associates**  
Chartered Accountants  
Firm Registration No. 322817E

**Pulak Chatterjee**  
Membership No. 056493  
Place : Kolkata  
Date : 19/05/2017



For and on behalf of Board of Directors

  
**Sunil Jha**  
Director  
00085667

  
**Badi Kumar Tulsyan**  
Director  
02447595



**Kanchan Janga Integrated Infrastructure Development Private Limited**

**Notes to financial statements for the Year ended 31 March 2017**

**As at 31.03.2017**  
**Amount (in Rs.)**

**As at 31.03.2016**  
**Amount (in Rs.)**

**1) SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation of Financial Statements:**

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India.

The Financial Statement of the Company are prepared on an accrual basis and under the historical cost.

GAAP comprises applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended), other pronouncements of the Institute of Chartered Accountants of India, relevant applicable provisions of the Companies Act, 1956, and Companies Act, 2013 to the extent applicable read with General Circular No. 15/2013 dated September 13, 2013 and General Circular No. 08/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in respect of the relevant provisions/schedules/rules of the Companies Act, 2013 respectively.

Accounting policies have been consistently applied except in case of charging of depreciation.

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 company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**Revenue Recognition**

Income from construction activities shall be provided on the basis of percentage of completion method, if completion of project is more than 25% of the project cost.

**Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation has been provided at useful life of the assets on SLM basis as per Schedule II of Companies Act, 2013.

Development rights for land are amortised in proportion to the percentage of completion of the total project.

**Borrowing Costs**

Borrowing costs relating to acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to bring the assets for their intended use are complete. All other borrowing costs are charged to revenue.

**Impairment of Assets:**

At each Balance Sheet date, the Company assesses whether there is any indication that assets may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the accounts to the extent the carrying amount exceeds the recoverable amount. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

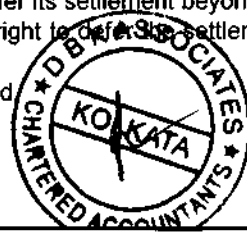
**Retirement and other employee benefits**

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the Regional Provident Fund Commissioner are due. The Company has no obligation other than contributions to the respective fund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Gratuity liability is unfunded.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The company presents the leave as current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the company has unconditional legal and contractual right to defer its settlement for the period beyond 12 months, the same is presented as non current liability.

Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.



**Kanchan Janga Integrated Infrastructure Development Private Limited**

**Notes to financial statements for the Year ended 31 March 2017**

**As at 31.03.2017**  
**Amount (in Rs.)**



**As at 31.03.2016**  
**Amount (in Rs.)**

**Miscellaneous Expenditure**

Miscellaneous Expenditure to the extent not written off is carried forward to be charged to revenue over five years starting from the year of commencement of commercial activity.

**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)(A) Share Capital****Authorised and Issued Share Capital**

5,00,000 Equity Shares of Rs. 10/- each	50,00,000	50,00,000
	<u>50,00,000</u>	<u>50,00,000</u>
<b>Paid up Share Capital</b>		
5,00,000 Equity Shares of Rs. 10/- each fully paid up	50,00,000	50,00,000
	<u>50,00,000</u>	<u>50,00,000</u>

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.

**2) Shares held by its holding company**

Shristi Housing Development Ltd.#		3,69,700
Shristi Infrastructure Development Corp. Ltd	3,69,700	

**3) Shareholder holding more than 5% of the total shares-**

Shristi Housing Development Ltd.#	-	3,69,700
Shristi Infrastructure Development Corporation Limited	3,69,700	-
West Bengal Industrial Infrastructure Development Corporation	1,30,000	1,30,000

# (Amalgamated with Shristi Infrastructure Dev. Corp. Ltd. pursuant to Hon'ble High Court Order, Calcutta dtd. 16.02.2016 which became effective on 31.03.2016)

**Note 2(A) : Reserve & Surplus****Surplus / (deficit) in the statement of profit and loss**

Balance as per last financial statements	48,94,649	34,98,705
Add: Profit for the year	11,85,304	13,95,944
	<u>60,79,953</u>	<u>48,94,649</u>

**3) Long Term Borrowings****Unsecured**

From Holding Company	2,76,78,195	3,45,86,350
	<u>2,76,78,195</u>	<u>3,45,86,350</u>

**4) Long Term Provisions**

Provision for Gratuity	15,21,589	12,30,718
Provision for Leave Encashment	18,71,884	16,38,708
	<u>33,93,473</u>	<u>28,69,426</u>

**5) Short Term Borrowings****Unsecured**

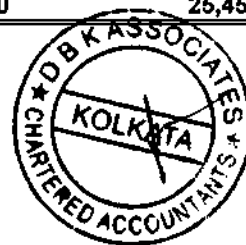
	1,51,80,172	89,07,924
	<u>1,51,80,172</u>	<u>89,07,924</u>

**6) Other Current Liabilities**

Liability For Expenses	19,43,791	19,25,304
Income received in advance	10,54,79,676	18,07,83,921
Other Liabilities	53,08,482	1,23,68,868
	<u>11,27,31,949</u>	<u>19,50,78,093</u>

**7) Short Term Provisions**

Provision for LTA	-	66,763
Provision for Ex-gratia	-	79,153
Provision for Taxation	30,00,000	24,00,000
	<u>30,00,000</u>	<u>25,45,916</u>



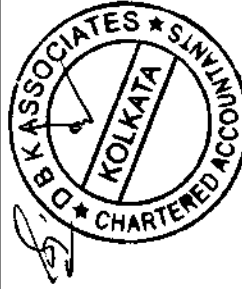
**Kanchan Janga Integrated Infrastructure Development Pvt. Ltd.**

**Note - 8**

(Amount in Rs.)

**Tangible Assets**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK As At 31.03.2017	NET BLOCK As At 01.04.2016
	As at 01.04.2016	Additions	Deduction	As at 01.04.2016	Depn. for the year	Adj. with R/E	As at 31.03.2017	
Computer	2,49,559	-	-	1,78,647	22,234		2,00,881	70,912
Computer Software	1,59,359	-	-	1,02,999	29,345		1,32,344	56,360
Office Equipment	1,68,470	15,000	-	63,283	24,535		87,818	1,05,187
Furniture & Fixture	6,63,178	-	-	2,68,192	88,540		3,56,732	3,94,986
<b>Total</b>	<b>12,40,566</b>	<b>15,000</b>	<b>-</b>	<b>6,13,121</b>	<b>1,64,654</b>	<b>-</b>	<b>7,77,775</b>	<b>6,27,445</b>
<b>Previous Years</b>	<b>11,39,067</b>	<b>1,01,499</b>	<b>-</b>	<b>5,47,460</b>	<b>65,661</b>		<b>6,13,121</b>	<b>6,27,445</b>



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# Kanchan Janga Integrated Infrastructure Development Private Limited

Notes to financial statements for the Year ended 31 March 2017

	Year ended 31.03.2017 Amount (in Rs.)	Year ended 31.03.2016 Amount (in Rs.)
<b>9) Other Non Current Assets</b>		
Preliminary Expenses.	1,20,290	1,20,290
Security Deposit	1,14,000	1,74,000
	<b>2,34,290</b>	<b>2,94,290</b>
<b>10) Inventories</b>		
Development Work In Progress	11,77,66,284	11,54,93,084
	<b>11,77,66,284</b>	<b>11,54,93,084</b>
<b>11) Cash &amp; Bank Equivalents</b>		
Balance with Scheduled Banks - in Current Accounts	32,54,030	6,54,439
Cash in Hand	39,421	9,357
	<b>32,93,450</b>	<b>6,63,795</b>
<b>12) Short Term Loans &amp; Advances</b>		
Advances recoverable in cash or in kind or value to be received	21,50,250	20,21,008
Prepaid Expense	5,543	22,173
TDS Receivable	1,77,80,261	1,74,18,640
Service Tax Input	29,94,396	33,69,533
	<b>2,29,30,450</b>	<b>2,28,31,354</b>
<b>13) INCREASE/ (DECREASE) IN STOCK</b>		
Closing Stock:		
Development Work in Progress	11,77,66,284	11,54,93,084
Less: Opening Stock:		
Development Work in Progress	11,54,93,084	15,54,67,890
	<b>22,73,200</b>	<b>(3,99,74,806)</b>
<b>14) Direct Project Expenses</b>		
Construction Cost	1,02,60,570	86,23,822
Insurance Premium	27,630	9,964
Electrical Work	5,04,333	11,30,090
	<b>1,07,92,533</b>	<b>97,63,876</b>

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# Kanchan Janga Integrated Infrastructure Development Private Limited

Notes to financial statements for the Year ended 31 March 2017

	Year ended 31.03.2017 Amount (in Rs.)	Year ended 31.03.2016 Amount (in Rs.)
<b>15) Employee Benefit Expense</b>		
Salary, Incentive, Ex gratia etc	1,29,85,354	1,85,85,829
Conveyance and Other Allowances	1,03,76,952	1,08,37,606
Gratuity and Leave encashment	5,50,447	3,71,355
	<b>2,39,12,753</b>	<b>2,97,94,790</b>
<b>16) Finance Cost</b>		
Bank Charges	6,854	7,860
Interest Expense	72,35,307	36,78,887
	<b>72,42,161</b>	<b>36,86,747</b>
<b>17) Other Expenses</b>		
Audit Fees	34,500	30,000
Advertisement Charges	2,49,372	2,31,445
Rent	1,96,903	3,96,036
Electricity Charges	76,260	82,551
Printing & Stationary	1,32,962	1,95,975
Professional Fees	6,11,183	12,45,730
Rates & Taxes	4,89,600	17,500
Telephone Expenses	2,15,843	2,41,368
Repairs & Maintenance	1,77,713	92,380
Postage & telegram	16,436	18,215
Travelling & Coveyance exp	56,33,449	65,48,362
Security Service	4,57,392	4,02,510
Miscellaneous Expenditure	9,69,235	18,79,404
Other Income	(41,14,812)	(19,12,797)
	<b>51,46,036</b>	<b>94,68,680</b>

18) The Company had entered into a development agreement with M/S West Bengal Industrial Development Corporation dated 6th July 2009. According to the said agreement, the company will develop an integrated industrial hub at Fatapukur as per terms & conditions mentioned in the said agreement.

19) Since the company has completed its construction activities above 25% of the total project Contract receipts are recognized under percentage completion method in respect of work contract business.

## Relevant disclosure AS 7 (revised) are given below:

Contract revenue recognised as revenue in the period 2016-17	13,14,90,096
Contract expenses recognised as expenses in the period 2016-17	12,97,04,792
Recognised profit (less recognised losses)	17,85,304

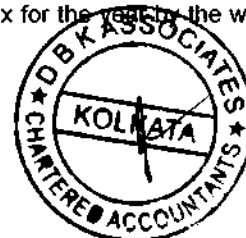
## 20) Retirement Benefit

a) Gratuity liability and Compensated leave encashment to employees is accounted for on the basis of actuarial valuation using Projected Unit Credit Method.

b) Company's Contributions to Provident are charged to Profit & Loss account in the year when the contributions to the respective funds are due.

21) The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

22) Contingent liabilities not provided for – NIL.



**Kanchan Janga Integrated Infrastructure Development Private Limited**

**Notes to financial statements for the Year ended 31 March 2017**

	Year ended 31.03.2017 Amount (in Rs.)	Year ended 31.03.2016 Amount (in Rs.)
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**23) Taxation:**

a) Current Tax – is provided on accessible income as per Income Tax Act, 1961. in accordance with the tax Regulation as applicable to the company.

(b) Deferred tax – Deferred tax charge or credit reflect the tax effect, of the timing differences between accounting income and taxable income for the period which are capable of being reversed in future. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Also as per our calculations a very negligible amount of DTA is arising which is immaterial and hence has not been recognised in books of accounts.

**24) Related Party Transactions:**

As per Accounting Standard – 18 issued by companies ICAI, the Company's related parties and transactions are discussed below:

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

**Joint Venture company of Reporting Enterprise:** West Bengal Industrial Infrastructure Development Corporation  
Shristi Infrastructure Development Corporation Limited (SIDCL)  
Shristi Housing Development Ltd.(SHDL)

**b. Transactions with related parties**

Holding Company :	SIDCL	SHDL
<b>Nature of Expenses -</b>		
Share Capital	36,97,000	36,97,000
Unsecured Loan		
Opening balance	3,45,86,350	91,19,763
Received during the year	1,39,70,000	2,56,71,587
Paid during the year	2,08,78,155	2,05,000
Closing Balance	2,76,78,195	3,45,86,350

**25)** The company has entered into a Development Rights agreement with its JV partner WBIDC on 6th July, 2009 for development of 124.50 acres of land near Fatapukur in the district of Jalpaiguri, West Bengal for a period of 99 years. The total amount payable to them towards the value of Development Rights is Rs.20,59,92,720/- which is paid / payable as follows :-

Particulars	Amount (Rs)	Due date
Upfront payment	10,50,56,287	Paid on 04.07.2009
1st installment	1,02,99,636	Paid on 07.07.2011
2nd installment	1,02,99,636	Payable on 05.07.2011
3rd installment	1,02,99,636	Payable on 05.07.2012
4th installment	2,05,99,272	Payable on 05.07.2013
5th installment	4,94,38,253	Payable on 05.07.2014
<b>Total</b>	<b>20,59,92,720</b>	



**Kanchan Janga Integrated Infrastructure Development Private Limited**

**Notes to financial statements for the Year ended 31 March 2017**

Year ended 31.03.2017 Amount (in Rs.)	Year ended 31.03.2016 Amount (in Rs.)
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**26) Disclosure Regarding Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below:-**

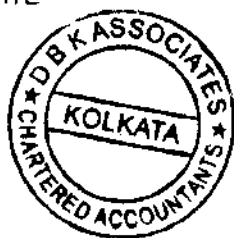
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	42,000	394	42,394
(+) Permitted receipts	-	50,000	50,000
(-) Permitted payments	-	13,324	13,324
(-) Amount deposited in Banks	42,000	-	42,000
Closing cash in hand as on 30.12.2016	-	37,070	37,070

**27) Previous year figures have been regrouped / rearranged wherever necessary.**

As per our attached Report of even date

**DBK Associates**  
Chartered Accountants  
Firm Registration No. 322817E

*Pulak Chatterjee*  
**Pulak Chatterjee**  
Partner  
Membership No. 056493  
Place : Kolkata  
Date : 19/05/2017



**For and on Behalf of the Board**

*Sunil Jha*  
**Sunil Jha**  
Director  
00085667

*Badri Kumar Tulsyan*  
**Badri Kumar Tulsyan**  
Director  
02447595





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

219-C, Old China Bazar Street  
1st Floor, Room No.B-6  
KOLKATA - 700 001  
Tele : (033)2248-6561, 3022-6561  
Telefax : (033) 2230-3207  
e-mail : [gk.sons@hotmail.com](mailto:gk.sons@hotmail.com)

## **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.

*B*

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.

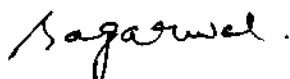
### **Report on Other Legal and Regulatory Requirements**

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;



- 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, FCA)

Partner

Membership number: 060033

Place: Kolkata

Date: 23/05/2017



• **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.

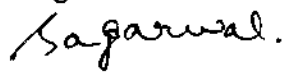
According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, wealth-tax, sales tax, custom duty, excise duty or value added tax and cess were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became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

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- 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

  
(**Shyam Sundar Agarwal, FCA**)  
Partner  
Membership number: 060033

Place: Kolkata  
Date: 23/05/2017



## **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



**(Shyam Sundar Agarwal, FCA)**

Partner

Membership number: 060033

Place: Kolkata

Date: 23/05/2017



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>			
Intangible assets- Land		28,958,056	28,968,056
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 M. R. Agarwal & Associates  
Chartered Accountants  
Firm Reg. No. 0230291

*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

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**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
<b>Net Cash From Operating Activities</b>	<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	5,643	67,144

Note:-

Figures in brackets denote cash outflow

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

*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*  
Shankar Mukherjee  
Director  
DIN: 01918561

*S*

Notes to financial statements for the year ended 31st March, 2017

As At  
March 31, 2017  
(Rs.)

As At  
March 31, 2016  
(Rs.)

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  
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  
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

Anindam 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

339,744

265,792

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

-

1,263,493

1,075,291

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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
	<u>5,643</u>	<u>67,144</u>

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**

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

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

*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

*Abhishek Bhardwa*  
Abhishek Bhardwa  
Director  
DIN: 03459739

*Shankar Mukherjee*  
Shankar Mukherjee  
Director  
DIN: 01918561

# **S. S. KOTHARI & CO.**

CHARTERED ACCOUNTANTS

CENTRE POINT

ROOM NO.314

21, OLD COURT HOUSE STREET

KOLKATA - 700 001

Phone: 2248-0279/2758 Res: 2289-1398

E-mail: [sskotharico@gmail.com](mailto:sskotharico@gmail.com)

S. S. KOTHARI	B.Com., C.T.A (LOND), F.C.A	R.N. BARDHAN	B.Com., F.C.A.
R.K. ROYCHOUDHURY	B.Sc., B.Com. F.C.A.	A. DATTA	B.Com., F.C.A.
T.K. SENGUPTA	B.Com., LL.B., F.C.A.	P.K BHATTACHARYA	B.com., F.C.A
S.CHAKRABORTY	B.com., F.C.A.,D.I.S.A.(I.C.A.I.)		

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF FINETUNE ENGINEERING SERVICES PVT.LTD.**

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

We have audited the accompanying standalone financial statements of **Finetune Engineering Services Private Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2017, and the statement of profit and loss and the 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**

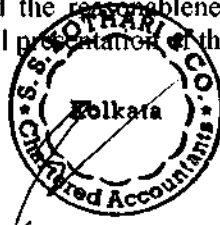
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the 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 thereunder.

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 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, 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 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 standalone financial statements.

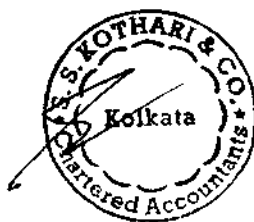
### Opinion

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

- a) In the case of the Balance sheet, of the state of affairs of the company as at March 31, 2017;
- b) In the case of the Statement of profit and Loss, of the **Profit** for the year ended on that date; and
- c) 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" a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable to the company.
- 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;
  - (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 Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statement 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 written representations received from the directors as at 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors as on 31<sup>st</sup> March 2017 are disqualified from being appointed as a director in terms of Section 164(2) of the Act; and
  - (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".



(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 the financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The company has provided requisite disclosure in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016. Based on auditing procedures and relying on management representations, we report that the disclosure is in accordance with the books of accounts maintained by the company as provided to us by the management. (Refer note 12).

Centre point  
21, Old Court House Street  
Kolkata-700001  
The day of May, 2017

*S. S. Kothari*

For S. S. Kothari & Co.  
Chartered Accountants  
Firm's Registration No. 302034E

  
(R N Bardhan)

Partner

Membership No: 017270

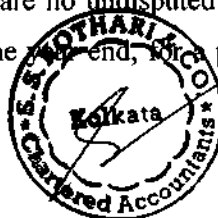


### **"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our audit report of even date to the financial statements of the company for the year ended March 31, 2017.

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 Companies Act, 2013 and on the basis of such checks as we considered appropriate and the information and explanation given to us, we further report that:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) All the assets have been physically verified by the management during the year and there is a regular programme of verification 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 verification.  
(c) Title deeds of immovable properties are held in the Name of the company.
- ii. There are no inventories at the beginning and close of the year.
- iii. As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act and as such clauses 3(iii) (a) to (c) of the Order are not applicable.
- iv. There was no loan, investment, guarantee and security during the year under Section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public, thus the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act rules framed there under, is not applicable. Accordingly clause (v) of Paragraph 3 of the order is not applicable to the Company.
- vi. Maintenance of cost records has not been specified by the central government under sub Section (1) of section 148 of the Companies Act, 2013 for the activities of the company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including income tax and cess, service tax with appropriate authorities during the year ended 31 March 2017. As explained to us, the Company did not have any dues on account of provident fund, investor education and protection fund, Employees' state insurance, sales tax, wealth tax, value added tax, duty of customs and duty of excise.  
According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax and cess and Service tax which were outstanding at the year end, for a period of more than 6 months from the date they become payable.



- b) According to the information and explanations given to us, there are no dues of income tax and cess and Service 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, paragraph 3(viii) of the Order is not applicable.
- 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. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 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. The Company did not paid/provided for any managerial remuneration covered under the provisions of section 197 read with Schedule V to the Act, during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. 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.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give 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.
- 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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Centre point  
21, Old court House Street,  
Kolkata - 700001  
The day of May, 2017

*[Signature]*



For S. S. Kothari & Co.  
Chartered Accountants  
Firm's Registration No. 302034E

*[Signature]*

(R N Bardhan)  
partner  
Membership No. 017270



**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF FINETUNE ENGINEERING SERVICES PVT.LTD.**

**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 **Finetune Engineering Services Private Limited** ("the Company") as of March 31, 2017 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 168 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**

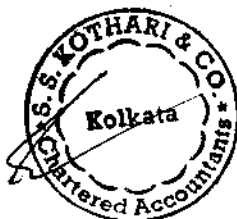
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 March 31, 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 Institute of Chartered Accountants of India"

Centre Point  
21, Old court House street,  
Kolkata - 700001  
The day of May, 2017

*[Signature]*



For S. S. Kothari & Co.  
Chartered Accountants  
Firm's Registration No. 302034E

*[Signature]*

(R N Bardhan)  
Partner  
Membership No: 017270

**FINETUNE ENGINEERING SERVICES PVT. LTD.**  
**BALANCE SHEET AS AT 31st March, 2017**

	Notes	As at 31st March, 2017	(Amount in Rs.) As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	2,00,00,000	2,00,00,000
Reserves and Surplus	3	(1,79,27,095)	(1,79,27,392)
		<u>20,72,905</u>	<u>20,72,608</u>
<b>Non Current Liabilities</b>			
Deferred Tax Liability (Net)	6	1,095	2,014
<b>Current Liabilities</b>			
Other Current Liabilities	4	34,209	34,200
		<u>34,209</u>	<u>34,200</u>
<b>TOTAL</b>		<u>21,08,209</u>	<u>21,08,822</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible assets	5	-	6,322
Deferred Tax Asset (Net)	6	-	-
		<u>-</u>	<u>6,322</u>
<b>Current Assets</b>			
Cash and Cash Equivalents	7	21,949	16,240
Short Term Loans and Advances	8	20,86,260	20,86,260
		<u>21,08,209</u>	<u>21,02,500</u>
<b>TOTAL</b>		<u>21,08,209</u>	<u>21,08,822</u>
Summary of significant accounting policies	1		

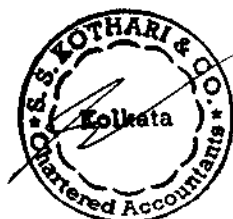
The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.S. Kothari & Co.  
Chartered Accountants  
FR No. 302034E



R.N. Bardhan  
Partner  
Membership No. 17270



For & on behalf of the Board



Gautam Malik  
Director  
DIN: 02545671



B.K. Tulsyan  
Director  
DIN: 02447595

Place: Kolkata  
Dated: 24/05/2017

**FINETUNE ENGINEERING SERVICES PVT.LTD.**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2017**

	Notes	Year Ended 31st March, 2017	(Amount in Rs.) Year Ended 31st March, 2016
<b>INCOME</b>			
Other Income	9	19,291	-
<b>TOTAL REVENUE</b>		<b>19,291</b>	<b>-</b>
<b>EXPENSES</b>			
Other Expenses	10	13,591	10,608
Depreciation and amortization expense	5	6,322	2,362
<b>TOTAL EXPENSES</b>		<b>19,913</b>	<b>12,970</b>
<b>PROFIT BEFORE TAX</b>		<b>(622)</b>	<b>(12,970)</b>
<b>Tax Expense</b>			
Deferred tax		(919)	815
<b>Total Tax Expense</b>		<b>(919)</b>	<b>815</b>
<b>PROFIT/LOSS FROM CONTINUING OPERATIONS AFTER TAX</b>		<b>297</b>	<b>(13,785)</b>
Earnings per Equity Share (Nominal Value of Share Rs. 10) (31st March, 2016: Rs.10)			
Basic & Diluted	11	0.00	(0.01)

Summary of significant accounting policies 1

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.S. Kothari & Co.  
Chartered Accountants  
FR No. 302034E

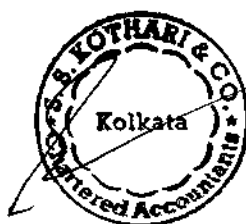
R.N. Bardhan  
Partner  
Membership No. 17270

Place: Kolkata  
Dated: 24/05/2017

For & on behalf of the Board

Gautam Malik  
Director  
DIN: 02545671

B.K. Tulsyan  
Director  
DIN: 02447595



**FINETUNE ENGINEERING SERVICES PVT. LTD.**

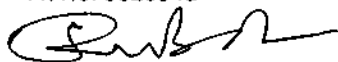
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2017**

	Year Ended 31st March, 2017	(Amount in Rs.) Year Ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	(622)	(12,970)
Adjusted for:		
Depreciation	6,322	2,362
Income Tax	-	-
Operating Profit before working capital changes	5,700	(10,608)
Adjusted for:		
Trade payables & Other liabilities	9	11,133
Loans and Advances	-	(525)
Cash generated from operations	5,709	-
Direct Taxes paid	-	-
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>5,709</b>	<b>-</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	-	-
Purchases of Investments	-	-
<b>NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans and Advances	-	-
<b>NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>5,709</b>	<b>-</b>
Opening Balance of Cash and Cash equivalents	16,240	16,240
Closing Balance of Cash and Cash equivalents	21,949	16,240
Summary of significant accounting policies		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.S. Kothari & Co.  
Chartered Accountants  
FR No. 302034E



R.N. Bardhan  
Partner  
Membership No. 17270

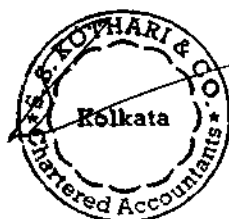
Place: Kolkata

Dated: 24/05/2017

For & on behalf of the Board

  
Gautam Malik  
Director  
DIN: 02545671

  
B.K. Tulsyan  
Director  
DIN: 02447595



**FINETUNE ENGINEERING SERVICES PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. ACCOUNTING CONVENTIONS**

The accompanying financial statements have been prepared and presented under the historical cost convention and on an accrual basis unless otherwise stated. These financial statements have been prepared in compliance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the mandatory Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the 2103 Act') read with the Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the 2013 Act (to the extent notified and applicable). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**B. USE OF ESTIMATES**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ('Indian GAAP') requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities (including contingent liabilities) as on the of the financial statements and reported income and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**C. FIXED ASSETS**

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**D. DEPRECIATION**

Depreciation on fixed assets is provided under Written Down Value method using useful life prescribed in Schedule II to the Companies Act, 2013.

**E. REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

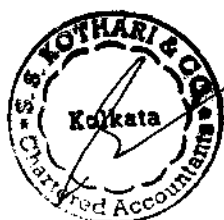
Dividend is recognized when the shareholders' right to receive payments is established by the balance sheet date.

**F. FOREIGN EXCHANGE TRANSACTIONS**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions.

Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the closing exchange rate. Gains and Losses on account of exchange difference either on settlement or on translation are recognized in the relevant head of Profit & Loss Account.

Non-monetary items denominated in foreign currency are reported using exchange rate prevailing on the date of transactions.



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**FINETUNE ENGINEERING SERVICES PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**G. EMPLOYEE BENEFITS**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Leave Encashment liabilities are accounted for on accrual basis.

**H. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**I. TAXATION**

**a. Current Tax**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.

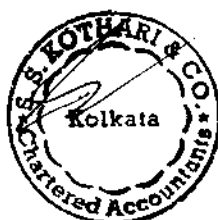
**b. Deferred Tax**

- i) Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences.
- ii) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**J. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

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**FINETUNE ENGINEERING SERVICES PVT.LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2017**

(Amount in Rs.)

	As At 31st March, 2017	As At 31st March, 2016
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
2,000,000 (31st March, 2015: 2,000,000 ) Equity Shares of Rs.10/- each	2,00,00,000	2,00,00,000
<b>Issued, Subscribed &amp; Paid-Up</b>		
2,000,000 (31st March, 2015: 2,000,000 ) Equity Shares of Rs.10/- each fully paid up	2,00,00,000	2,00,00,000
	<u>2,00,00,000</u>	<u>2,00,00,000</u>

(a) Rights, preference, repayability and restriction, if any, on equity shares

All general right applicable as per Companies Act

(b) Reconciliation of number of shares outstanding at the beginning and end of the year

Particulars	31st March, 2017		31st March, 2016	
	Number	Value	Number	Value
Shares issued and subscribed at the beginning of the year	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Shares issued and subscribed at the end of the year	20,00,000	2,00,00,000	20,00,000	2,00,00,000

(c) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	31st March, 2017		31st March, 2016	
	Number	% holding	Number	% holding
Equity Shares of Rs.10 each fully paid up				
- Shristi Infrastructure Development Corp. Limited along with its nominees	20,00,000	100%	20,00,000	100%
- Shristi Housing Development Ltd. along with its nominees				
(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. RESERVES AND SURPLUS**

**Profit & Loss Account**

As per last Balance Sheet	(1,79,27,392)	(1,79,13,607)
Add: Profit/(Loss) for the year	297	(13,785)
<b>Total</b>	<u>(1,79,27,095)</u>	<u>(1,79,27,392)</u>

**4. OTHER CURRENT LIABILITIES**

Other liabilities	34,209	34,200
Statutory dues payable	-	-
	<u>34,209</u>	<u>34,200</u>

**6. DEFERRED TAX ASSET (NET)**

**Deferred Tax Asset**

Related to Preliminary Expenses	-	-
Difference due to Sec. 43B of the Income Tax Act, 1961	-	-
<b>Gross Deferred Tax Asset</b>	<u>-</u>	<u>-</u>

**Deferred Tax Liability**

Related to Fixed Assets	1,095	2,014
<b>Gross Deferred Tax Liability</b>	<u>1,095</u>	<u>2,014</u>

**Net Deferred Tax Asset/Liability**

	<u>(1,095)</u>	<u>(2,014)</u>
--	----------------	----------------

**7. CASH AND CASH EQUIVALENTS**

**Cash and cash equivalents**

Cash-in-hand	527	527
Balances with scheduled banks		
- in Current Accounts	21,422	15,713
	<u>21,949</u>	<u>16,240</u>

**8. SHORT TERM LOANS AND ADVANCES**

(Unsecured, Considered good)

Loans and advance to related parties	20,80,361	20,80,361
Other Loans and advances	5,899	5,899
	<u>20,86,260</u>	<u>20,86,260</u>



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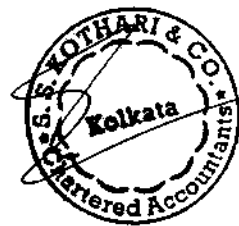
FINETUNE ENGINEERING SERVICES PVT.LTD.  
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD YEAR 31st March, 2017

5. TANGIBLE ASSETS

(Amount in Rs.)

Description	Gross Block			Depreciation			Net Block	
	As at 31st March, 2016	Additions during the Year	Deductions/a adjustments	As at 31st March, 2017	Up to 31st March, 2016	For the Year	Deductions/a adjustments	Up to 31st March, 2017
Computers	65,500	-	-	65,500	62,866	2,634	-	65,500
Office Equipments	9,550	-	-	9,550	5,862	3,688	-	9,550
<b>TOTAL</b>	<b>75,050</b>	<b>-</b>	<b>-</b>	<b>75,050</b>	<b>68,728</b>	<b>6,322</b>	<b>-</b>	<b>75,050</b>
Previous Year	75,050	-	-	75,050	66,366	2,362	-	68,728
								6,322
								-

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**FINETUNE ENGINEERING SERVICES PVT.LTD.**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2017**

	Year Ended 31st March, 2017	(Amount in Rs.) Year Ended 31st March, 2016
<b>9. OTHER INCOME</b>		
Sundry balance written off	19,291	-
	<u>19,291</u>	<u>-</u>
<b>10. OTHER EXPENSES</b>		
Professional Consultancy Fees	5,614	3,750
Fee & Subscription	1,477	1,842
Audit Fees	6,500	5,000
Misc. Expenses	-	16
	<u>13,591</u>	<u>10,608</u>
<b>11. EARNING PER SHARE (EPS)</b>		
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Share holders	297	(13,785)
Weighted Average number of Equity Shares used as denominator for calculating EPS	20,00,000	20,00,000
Basic and Diluted EPS	0.00	(0.01)

**12. 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	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-



*[Handwritten signature]*

**FINETUNE ENGINEERING SERVICES PVT. LTD.****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

13. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.
14. Information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
15. The Company dealt in rendering "Consultancy Services" in India. The company has considered "Consultancy Services" as only business segment for disclosure in the context of Accounting Standard (AS-17) issued by The Institute of Chartered Accountants of India and the conditions prevailing in India being uniform, no separate geographical disclosure considered necessary.
16. As per the information available with the company, there are no dues to any Micro & Small enterprise as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2017. Further no interest has been paid during the year and payable as on 31st March, 2017 to such parties.
17. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

**18. Related Party Transaction**

As per Accounting Standard (AS) 18 "Related Party Disclosures", the company's related parties transactions are disclosed below:

**a. List of Related parties & relationships where control exists:**

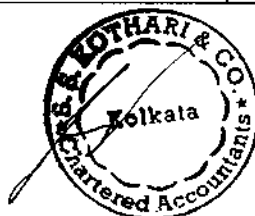
Shristi Infrastructure Development Corporation Limited.

Shristi Housing Development Limited

(Amalgamated with Shristi Infrastructure Development Corporation Limited pursuant to Hon'ble High Court Order, Calcutta dated 16<sup>th</sup> February, 2016 which became effective on 31<sup>st</sup> March, 2016)

**b. Transaction 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 - Loan and Advances	2,080,361/-	-
2.	Shristi Housing Development Limited	Closing Balance - Loan and Advances	-	2,080,361/-



**FINETUNE ENGINEERING SERVICES PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

19. The Company has re-classified the previous year figures in accordance with the requirement applicable in the current year.

As per our report of even date

**For S.S. Kothari & Co.**  
Chartered Accountants  
FR No. 302034E



R.N. Bardhan  
Partner  
Membership No. 17270

**For & on behalf of the Board**



Gautam Malik  
Director  
DIN:02545671



B.K. Tishyan  
Director  
DIN:02447595

Place: Kolkata  
Dated: 24/05/2017



# S. S. KOTHARI & CO.

CHARTERED ACCOUNTANTS

S.S. KOTHARI B.Com., C.T.A. (LOND), F.C.A. R.N. BARDHAN B.Com., F.C.A.  
R.K. ROYCHOUDHURY B.Sc., B.Com., F.C.A.  
T.K. SENGUPTA B.Com., LL.B., F.C.A. P.K. BHATTACHARYA B.Com., F.C.A.

CENTRE POINT  
ROOM NO. 314  
21, OLD COURT HOUSE STREET  
KOLKATA - 700 001  
Phone : 2248-2758/0279 Res : 2289-1398  
e-mail : sskotharico@gmail.com

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF BORDER TRANSPORT INFRASTRUCTURE DEVELOPMENT LIMITED

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Border Transport Infrastructure Development Limited** ("the Company") which comprise the balance sheet as at 31<sup>st</sup> March 2017, and the 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 thereunder.

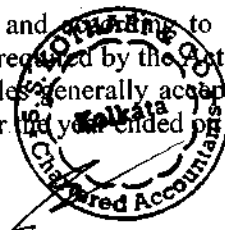
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material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

An audit involves performing procedures to obtain audit evidence about the amounts and 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, 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 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 standalone financial statements.

#### Opinion

In our opinion and to the best of our information and knowledge, and having taken into account the explanations given to us, accompanying 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, of the state of the affairs of the company as at 31<sup>st</sup> March 2017, and its Cash flow for the year ended on that date.

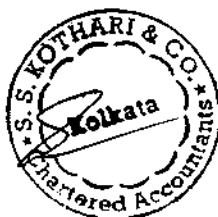


## Report on Other Legal and Regulatory Requirements

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** a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable to the company.
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;
  - (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 Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statement 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 written representations received from the directors as at 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors as on 31<sup>st</sup> March 2017 are disqualified from being appointed as a director in terms of Section 164(2) of the Act; and
  - (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:
    - i) The Company does not have any pending litigations which would impact the financial position;
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) The company has provided requisite disclosure in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on auditing procedures and relying on management representations, we report that the disclosure is in accordance with the books of accounts maintained by the company as provided to us by the management. (Refer note 11).

Centre point  
21, Old court House Street,  
Kolkata - 700001  
The day of May, 2017

*Signature*



For S. S. Kothari & Co.  
Chartered Accountants  
Firm's Registration No. 302034E

*Signature*

(R N Bardhan)  
partner  
Membership No. 017270

**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our audit report of even date to the financial statements of the company for the year ended March 31, 2017.

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 Companies Act, 2013 and on the basis of such checks as we considered appropriate and the information and explanation given to us, we further report that:

- i. (a) The company has maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) All the assets have been physically verified by the management during the year and there is a regular programme of verification 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 verification.  
(c) Title deeds of immovable properties are held in the Name of the company.
- ii. There are no inventories at the beginning and close of the year.
- iii. As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act and as such clauses 3(iii) (a) to (c) of the Order are not applicable.
- iv. There was no loan, investment, guarantee and security during the year under Section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public, thus the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act rules framed there under, is not applicable. Accordingly clause (v) of Paragraph 3 of the order is not applicable to the Company.
- vi. Maintenance of cost records has not been specified by the central government under sub Section (1) of section 148 of the Companies Act, 2013 for the activities of the company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including income tax and cess, service tax with appropriate authorities during the year ended 31 March 2017. As explained to us, the Company did not have any dues on account of provident fund, investor education and protection fund, Employees' state insurance, sales tax, wealth tax, value added tax, duty of customs and duty of excise.  
According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax and cess and Service tax which were outstanding at the year end, for a period of more than 6 months from the date they become payable.  
b) According to the information and explanations given to us, there are no dues of income tax and cess and Service 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, paragraph 3(viii) of the Order is not applicable.
- 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. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 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. The Company did not paid/provided for any managerial remuneration covered under the provisions of section 197 read with Schedule V to the Act, during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. 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.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give 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.
- 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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

Centre point  
21, Old court House Street,  
Kolkata -700001  
The day of May ,2017

*[Signature]*



For S. S. Kothari & Co.  
Chartered Accountants  
Firm's Registration No.302034E

*[Signature]*

(R N Bardhan)  
partner  
Membership No. 017270



**"ANNEXURE-B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF BORDER TRANSPORT INFRASTRUCTURE  
DEVELOPMENT LIMITED**

**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 **Border Transport Infrastructure Development Limited** ("the Company") as of March 31, 2017 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**

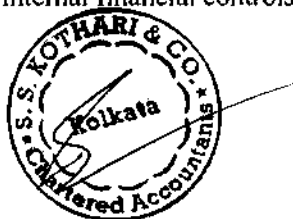
The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 168 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 March 31, 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 Institute of Chartered Accountants of India"

Centre Point  
21, Old court House street,  
Kolkata - 700001  
The day of May, 2017

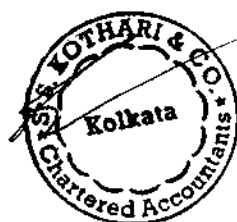
*Signature*

For S. S. Kothari & Co.  
Chartered Accountants  
Firm's Registration No.302034E

*Signature*

(R N Bardhan)  
Partner

Membership No:017270



**Border Transport Infrastructure Development Limited**  
**Balance Sheet as at March 31, 2017**

	Notes	March 31, 2017 Amount (in Rs.)	March 31, 2016 Amount (in Rs.)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	35,45,000	35,45,000
Reserve and Surplus	3	2,52,45,000	2,52,45,000
<b>Current Liabilities</b>			
Short term borrowings	4	37,127	-
Trade payable	5	17,841	31,412
Other Current liabilities	6	130	12,705
<b>Total</b>		<b>2,88,45,098</b>	<b>2,88,34,117</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Capital work-in-progress	7	2,86,66,078	2,86,54,797
Long term loans and advances	8	11,843	8,958
Other non-current assets	9	1,63,700	1,63,700
<b>Current assets</b>			
Cash and cash equivalents	10	3,477	6,662
<b>Total</b>		<b>2,88,45,098</b>	<b>2,88,34,117</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

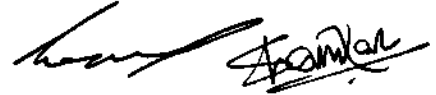
**For S.S.Kothari & Co**  
Chartered Accountants  
FR No. 302034E



**R.N. Bardhan**  
Partner  
Membership No. 17270

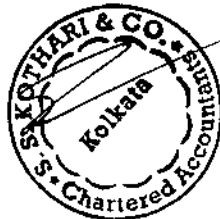
Date : 24/05/2017  
Place : Kolkata

**For and on Behalf of the Board**



**Rahul Varma**  
Director  
DIN: 00085064

**Shankar Mukherjee**  
Director  
DIN: 01918561



**Border Transport Infrastructure Development Limited**  
**Cash Flow Statement for the year ended March 31, 2017**

Particulars	March 31, 2017 Amount (Rs.)	March 31, 2016 Amount (Rs.)
	Nil	Nil
<b>A. CASH FLOW OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Taxation and Extraordinary activities		
Adjustments for Profit & Loss A/c		
Increase / (Decrease) in depreciation	-	2,991
Operating Profit Before Working Capital Changes	-	2,991
Adjustments for:		
Long term loans and advances	(2,885)	19,99,96,631
(Increase) / Decrease in Trade Payable	(13,571)	(98)
Increase / (Decrease) in Other Current Liabilities	(12,575)	(2,56,27,056)
Net Cash From Operating Activities	(29,031)	17,43,72,468
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Capital work in progress	(11,281)	12,67,56,930
Purchase of Fixed Assets	-	-
	(11,281)	12,67,56,930
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of Borrowings	37,127	(30,11,36,000)
	37,127	(30,11,36,000)
<b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	(3,185)	(6,602)
Opening Cash and cash equivalents	6,662	13,264
Closing Cash and cash equivalents	3,477	6,662
Closing Cash and cash equivalents as per Balance Sheet	3,477	6,662

Note:

1 Figures in brackets denote cash outflow

For S.S.Kothari & Co.

Chartered Accountants

FR No. 302034E



R.N. Bardhan

Partner

Membership No. 17270

For and on Behalf of the Board



Rahul Varma

Director

DIN: 00085064



Shankar Mukherjee

Director

DIN: 01918561

Date : 24/05/2017

Place : Kolkata



## **BORDER TRANSPORT INFRASTRUCTURE DEVELOPMENT LTD.**

### **Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017**

#### **Note -1: Significant Accounting Policies & Practices**

##### **1. SIGNIFICANT ACCOUNTING POLICIES:**

###### **1.1 Basis of Accounting**

The financial statements have been prepared in accordance with the Mandatory Accounting Standards prescribed under section 133 of the Companies Act 2013 read together with the companies (Accounts) Rules, 2014, and companies (Accounting Standards) amendment rules 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

###### **1.2 Fixed Assets**

These are stated at Cost. Attributable expenditure added with capital work in progress.

###### **1.3 Depreciation**

Depreciation on fixed assets is provided under Written down Value method using useful life prescribed in Schedule II to the Companies Act, 2013.

###### **1.4 Revenue Recognition**

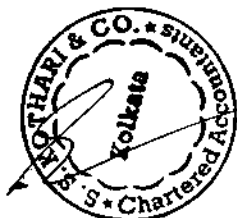
All Expenses incurred up to date of commercial operation are recognized as Capital work in progress.

###### **1.5 Borrowing Cost**

Borrowing Costs that are attributable to the acquisition and construction of qualifying asset are capitalized as part of cost of asset. Other borrowing costs are recognized as expense in the year in which these are incurred.

###### **1.6 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.



**Border Transport Infrastructure Development Limited**  
**Notes to Financial Statements for the year ended 31st March, 2017**

	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
<b>NOTE 2 : Share Capital</b>		
<b>Authorised and Issued Share Capital</b>		
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
<b>Paid up Share Capital</b>		
3,54,500 (Previous Year 3,54,000) Equity Shares of Rs. 10/- each fully paid up	35,45,000	35,45,000
	<u>35,45,000</u>	<u>35,45,000</u>

a) Rights, Preference, repayability and restriction, if any, on equity shares

All general rights applicable as per Companies Act

b) Reconciliation of number of Shares outstanding at the beginning and end of the year

Particulars	March 31, 2017		March 31, 2016	
	Number	Value	Number	Value
As at the beginning of the year	3,54,500	35,45,000	3,54,500	35,45,000
Issued during the year	-	-	-	-
As at the end of the year	3,54,500	35,45,000	3,54,500	35,45,000

c) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	March 31, 2017		March 31, 2016	
	Number	% holding	Number	% holding
Equity shares of Rs10 each fully paid				
- Shristi Infrastructure Dev. Corp. Ltd. along with its nominees	3,54,500	100.00%		
- Shristi Housing Development Corporation Limited along with its nominees			3,54,500	100.00%
(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)				

**Note - 3**

**Reserve & Surplus**

Securities Premium	2,52,45,000	2,52,45,000
	<u>2,52,45,000</u>	<u>2,52,45,000</u>

**Note - 4**

**Short term borrowings**

Shristi Infrastructure Development Corporation Ltd	37,127	-
	<u>37,127</u>	<u>-</u>

**Note - 5**

**Trade payable**

-Dues to Micro and Small Enterprises	-	-
-Dues to other than Micro and Small Enterprises	17,841	31,412
	<u>17,841</u>	<u>31,412</u>





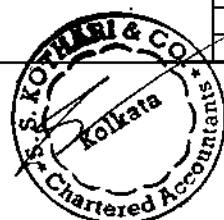

**Border Transport Infrastructure Development Limited**  
**Notes to Financial Statements for the year ended 31st March, 2017**

	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
<b>Note - 6</b>		
<b>Other Current liabilities</b>		
Audit Fees Payable (S.S.Kothari & Co)	-	12,575
Duties & Taxes payable	130	130
	<u>130</u>	<u>12,705</u>
<b>Note - 7</b>		
<b>Capital work in progress- opening balance -</b>	<b>2,86,54,797</b>	<b>15,54,11,727</b>
<b>Less: Liability no longer payable written back</b>	<b>24,602</b>	<b>13,68,97,682</b>
<b>Sub total - (a)</b>	<b>2,86,30,195</b>	<b>1,85,14,045</b>
<b>Finance cost</b>		
Interest expenses	-	99,57,428
Bank Charges	17,391	20,068
<b>Sub total - (b)</b>	<b>17,391</b>	<b>99,77,496</b>
<b>Other expense</b>		
Professional Consultancy Fees	2,500	4,000
General expenses	992	1,41,727
Depreciation	-	2,991
Audit Fee	11,500	11,450
Filing Fees	3,500	3,088
<b>Sub total - (c)</b>	<b>18,492</b>	<b>1,63,256</b>
<b>Total of Capital work in progress incl.b/f (a+b+c)</b>	<b>2,86,66,078</b>	<b>2,86,54,797</b>
<b>Note - 8</b>		
<b>Long term loans and advances</b>		
Unsecured, considered good		
- others	1,000	1,000
Service tax input	10,843	7,958
	<u>11,843</u>	<u>8,958</u>
<b>Note - 9</b>		
<b>Other Non-Current Assets</b>		
Preliminary Expenses to the extent not yet written off or adjusted	1,63,700	1,63,700
	<u>1,63,700</u>	<u>1,63,700</u>
<b>Note - 10</b>		
<b>Cash and cash equivalents</b>		
Cash-in-hand	3,477	6,662
	<u>3,477</u>	<u>6,662</u>

**Note - 11**

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	-	4,691	4,691
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	1,214	1,214
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	3,477	3,477



## BORDER TRANSPORT INFRASTRUCTURE DEVELOPMENT LTD.

### Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017

12. No profit & Loss Account have been prepared as the company is yet to commence the commercial operations.
13. Contingent liabilities – NIL.
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. **Related Party Transactions:**

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

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

i. **Holding Company**

Shristi Infrastructure Development Corporation Limited

b. **Transactions with related parties**

Relationship	Nature of Expenses Amount	Balance as on 31.03.2017	Balance as on 31.03.2016
Holding Company	Short term Borrowings	37,127/-	-

16. Previous year figures are regrouped / rearranged wherever necessary.

As per our attached report of given date

For S.S.KOTHARI & CO.

Chartered Accountants

FR No. 302034E



(R.N.BARDHAN)

Partner

Membership No.17270

Place:

Date: 24<sup>th</sup> May 2017



Rahul Varma

(Director)

DIN: 00085064



Shankar Mukherjee

(Director)

DIN: 01918561





# ***R. Kothari & Company***

**CHARTERED ACCOUNTANTS**

**KOLKATA, NEW DELHI**

## **INDEPENDENT AUDITOR'S REPORT**

**TO  
THE MEMBERS OF  
EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PVT LTD**

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

We have audited the accompanying financial statements of **EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PVT LTD** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash Flow Statement 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 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; 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.

### **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 management, as well as evaluating the overall presentation of the financial statements.

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

(a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2017;

(b) In the case of Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in Paragraph '3 and 4' of the Companies s(Auditors Report) Order, 2016 ('the order') issued by the Central Government of India since in our opinion and according to the information and explanations given to us the said Order is not applicable to the Company.
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.
- (e) On the basis of written representations received from the directors as on 31<sup>st</sup> 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 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 on financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.
  - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

Place: Kolkata

Date:



For R. Kothari & Company  
 Chartered Accountants  
 FRN: 307069E



(K. C. Soni)  
 Partner

Membership Number: 057620

**Annexure - A to the Independent Auditors' Report****Report on the Internal Financial Controls over Financial Statements 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 **EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PVT LTD** ("the Company") as of 31 March, 2017 in conjunction with our audit of the 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 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 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**

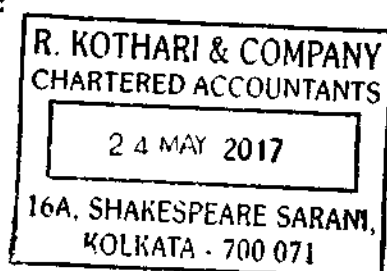
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 31 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 Institute of Chartered Accountants of India.

Place: Kolkata

Date:



For R. Kothari & Company  
 Chartered Accountants  
 FRN: 307069E



(K. C. Soni)  
 Partner

Membership Number: 057620

**East Kolkata Infrastructure Development Pvt. Ltd.**  
**Balance Sheet as at March 31, 2017**

Particulars	Notes	As On 31.03.2017 Amount (in Rs.)	As On 31.03.2016 Amount (in Rs.)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	10,00,000	10,00,000
Reserve & Surplus	3	(64,894)	-
<b>Current Liabilities</b>			
Other Current Liabilities	4	12,076	-
		<b>9,47,182</b>	<b>10,00,000</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	7	-	-
<b>Current Assets</b>			
Short Term Loans & Advances	5	9,35,819	9,93,319
Cash & cash equivalents	6	11,363	6,681
		<b>9,47,182</b>	<b>10,00,000</b>

**Significant Accounting policies**

1.1 to 1.6

**Notes to Financial Statements**

2 to 15

The accompanying notes (1 to 15) form an integral part of the financial statements

As per our report of even date annexed

**For R.Kothari & Company**

**Chartered Accountants**

**Firm Registration No. 307069E**

(CA K.C.Soni)

**Partner**



**For and on Behalf of the Board**

**Sunil Jha**  
**Director**  
**00085667**

**Rahul Varma**  
**Director**  
**00085064**

**Date : 24.05.2017**

**Place : Kolkata**

**East Kolkata Infrastructure Development Pvt. Ltd.**  
**Statement of Profit & Loss as at March 31, 2017**

Particulars	Notes	Year Ended 31.03.2017 Amount (in Rs.)	Year Ended 31.03.2016 Amount (in Rs.)
<b>INCOME</b>			
Revenue from operations		-	-
Other Income		-	-
<b>Total Revenue</b>		<u>-</u>	<u>-</u>
<b>EXPENSES</b>			
Depreciation and Amortization Expenses		-	-
Other Expense	8	64,894	-
<b>Total Expenses</b>		<u>64,894</u>	<u>-</u>
Profit/(Loss) before exceptional and extraordinary items and tax		(64,894)	-
Exceptional items			-
Profit/(Loss) before extraordinary items and tax		(64,894)	-
Extraordinary Items/Prior period items			
Profit/(Loss) before tax		(64,894)	-
Tax Expense:-			
- Current tax			-
- Earlier tax			-
- Deferred tax			-
- MAT Credit Entitlement			-
		<u>-</u>	<u>-</u>
Profit/(Loss) for the period		(64,894)	-
Earning per Equity Share (Face value of Rs. 10 each)			
(1) Basic			-
(2) Diluted			-

**Significant Accounting policies** 1.1 to 1.6  
**Notes to Financial Statements** 2 to 15  
The accompanying notes (2 to 15) form an integral part of the financial statements

As per our report of even date annexed

For R. Kothari & Company

Chartered Accountants

Firm Registration No. 3007469E

(CA R.C. Soni)

Partner

Date : 24.05.2017

Place : Kolkata



For and on Behalf of the Board

Sunil Jha  
Director  
00085667

Rahul Varma  
Director  
00085064

**East Kolkata Infrastructure Development Pvt. Ltd.**  
**Cash Flow Statement 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>		
Net Profit/(Loss) before Taxation and Extraordinary activities	(64,894)	-
Adjustments for Profit & Loss A/c		
Increase / (Decrease) in depreciation	-	-
Sundry Balance written off	(17,305)	8,383
 Operating Profit Before Working Capital Changes		
Adjustments for:		
(Increase) / Decrease in Short Term Loan & Advances	57,500	16,47,163
Increase / (Decrease) in Short Term Borrowings	-	(2,38,65,000)
Increase / (Decrease) in Trade Payables	-	(8,98,798)
Increase / (Decrease) in Other Current Liabilities	12,076	(61,680)
Net Cash From Operating Activities	<u>(12,623)</u>	<u>(2,31,69,932)</u>
 <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Pre-operative Expenses	-	2,31,52,627
Purchase of Fixed Assets	-	-
	<u>-</u>	<u>2,31,52,627</u>
 <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of Borrowings	-	-
 <b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	(12,623)	(17,305)
Opening Cash and cash equivalents	6,681	23,986
Closing Cash and cash equivalents	(5,942)	6,681
<b>Closing Cash and cash equivalents as per Balance Sheet</b>	<u><u>11,363</u></u>	<u><u>6,681</u></u>

**Significant Accounting policies**

**1.1 to 1.6**

**Notes to Financial Statements**

**2 to 15**

The accompanying notes (1 to 15) form an integral part of the financial statements

As per our report of even date annexed

**For R. Kothari & Company**

**Chartered Accountants**

**Firm Registration No. 307069E**

(CA K.C. Soni)

**Partner**



**Date : 24.05.2017**

**Place : Kolkata**

**For and on Behalf of the Board**

**Sunil Jha**  
**Director**  
**00085667**

**Rahul Varma**  
**Director**  
**00085064**



# **EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PVT. LTD.**

**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017**

## **1. SIGNIFICANT ACCOUNTING POLICIES:**

### **1.1 Basis of Accounting**

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

All expenses incurred up to the date of commercial operation are recognized as Preoperative Expenses.

### **1.2 Miscellaneous Expenditure**

Miscellaneous Expenditure to the extent not written off is carried forward to be charged to revenue over five years starting from the year of commencement of commercial activity.

### **1.3 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.

### **1.4 Fixed Assets**

Fixed Assets are stated at cost inclusive of taxes and other attributable costs up to the date the asset is ready for intended use less Depreciation.

Depreciation as per Schedule II of the Companies Act 2013 has not been provided during the year and the same shall be taken into account in the next Financial Year.

### **1.5 Taxation**

Current Tax is determined on the basis of the amount of tax payable for the year under Income Tax Act. And Deferred Tax is calculated at current tax rate and is recognized on timing differences between taxable profit and book profit that originate in one period and are capable of reversal in one or more subsequent period.

### **1.6 Borrowing Cost**

Borrowing cost relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to bring the assets for their intended use are complete. All other Borrowing costs are charged to revenue.



**East Kolkata Infrastructure Development Pvt. Ltd.**  
**Notes to Financial Statements for the year ended 31st March, 2017**

	As at March 31, 2017 Amount (in Rs.)	As at March 31, 2016 Amount (in Rs.)
<b>Note -2:</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
1,000,000 Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>		
1,00,000 (P.Y 1,00,000) Equity Shares of Rs. 10/- each	10,00,000	10,00,000
fully paid up in cash	10,00,000	10,00,000

**a) Rights, Preference, repayability and restriction, if any, on equity shares**

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 Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts in proportion to the no. of equity shares held by them.

**b) Reconciliation of number of Shares outstanding at the beginning and end of the year**

Particulars	March 31, 2017		March 31, 2016	
	No.	Value (in Rs.)	No.	Value (in Rs.)
Shares at the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Issued during the year	-	-	-	-
Shares at the end of the year	1,00,000	10,00,000	1,00,000	10,00,000

**c) Details of shareholders holding more than 5% shares in the company.**

Name of the shareholder	March 31, 2017		March 31, 2016	
	Number	%	Number	%
Shristi Infrast. Dev. Corp. Ltd. along with its nominees.	100000	100.00%		
- Shristi Housing Development Corporation Limited along with its nominees (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)			100000	100.00%

**Note -3 :**

**Reserves & Surplus**

**Surplus / (deficit) in the statement of profit and loss**

Balance as per last financial statements

Add: Profit for the year

(64,894)

(64,894)

**Note -4 :**

**Other Current Liabilities**

Liability for Expenses

12,076

12,076

**Note -5 :**

**Short Term Loans & Advances**

*(Unsecured, considered good, unless otherwise stated)*

Advance to Holding Company

9,35,819

9,93,319

*(Recoverable in cash or in kind or for value to be received)*

9,35,819

9,93,319

**Note -6 :**

**Cash & cash equivalents**

Balance with Scheduled Banks

-In Current Accounts

4,381

6,681

Cash on Hand

6,982

(As Certified by the Management)

11,363



**East Kolkata Infrastructure Development Pvt. Ltd.**  
**Notes to Financial Statements for the year ended 31st March, 2017**

**Note - 7 : Fixed Assets**  
**Tangible Assets** (Amount in Rs.)

PARTICULARS	GROSS BLOCK		DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Addition/ (Deduction)	As at 31.03.2017	Upto 01.04.2016	Depreciation for the year	Written off as per Schedule II	As at 31.03.2017	As at 31.03.2016
Office Equipment	-	-	-	-	-	0	0	-
Total	-	-	-	-	-	-	0	-
Previous Year	13,800	-	13,800	5,418	-	8,383	13,800	0

*[Signature]*



**East Kolkata Infrastructure Development Pvt. Ltd.**  
**Notes to Financial Statements for the year ended 31th March, 2017**

	As at March 31, 2017 Amount (in Rs.)	As at March 31, 2016 Amount (in Rs.)
<b>Note -8:</b>		
<b>Other Expenses</b>		
Security Services	35,000	2,10,000
Filing Fees	9,600	3,000
Depreciation	-	-
Professional Fees	3,876	5,750
Interest on TDS	-	-
General Expenses	6,068	47,163
Amount written off	-	8,383
Auditor's Remuneration	-	-
- Statutory Audit Fees	10,350	10,112
	<b>64,894</b>	<b>2,84,408</b>

**Note -9:**

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	20,000	6,531	26,531
(+) Permitted receipts	-	25,000	25,000
(-) Permitted payments	20,000	18,094	38,094
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	13,437	13,437





# EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PVT. LTD.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017

### 10. Related Party Transactions

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

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

**Holding company of reporting Enterprise**

Shristi Infrastructure Development Corporation Limited.

- b. Transactions with Related Parties:

S. No.	Relationship	Nature	As on 31 <sup>st</sup> March, 2017 (Rs.)	As on 31 <sup>st</sup> March 2016 (Rs.)
1.	Holding Company	Advance Given	9,35,819/-	9,93,319/-
		Outstanding Balance	9,35,819/-	9,93,319/-

11. The Company has identified social infrastructure real estate business as its sole operating segment and the same has been treated as the primary segment. As such no separate segment information is applicable as per the provisions of Accounting Standard - 17 issued by ICAI.
12. Since the company is not having any timing difference as prescribed under Accounting Standard - 22 issued by ICAI hence, provision of Deferred Tax is not required.
13. As per decision taken by the Board of Directors in their meeting dated 14th February, 2017, the company shall be merged with its 100% holding company viz. Shristi Infrastructure Development Corporation Limited subject to necessary approvals of the shareholders/ creditors and/or any other regulatory body, as may be required. The appointed date of Scheme of amalgamation is 1st January, 2017. The said account is prepared without giving any effect of the scheme of arrangement, since the application with National Company Law Tribunal (NCLT) is in process.
14. Previous year figures are regrouped / rearranged wherever necessary.
15. The Company is in the process of obtaining Trade License from the concerned authorities.

For R. Kothari & Company  
Chartered Accountants  
FRN: 307069E

(CA. R.C.Soni)  
Partner



Place: Kolkata

Date: 24.03.2017

For and on behalf of the Board

  
Sunil Jha  
Director  
00085667

  
Rahul Varma  
Director  
00085064

# S. S. KOTHARI & CO.

CHARTERED ACCOUNTANTS

S.S. KOTHARI  
R.K. ROYCHOUDHURY  
T.K. SENGUPTA

B.Com., C.T.A. (LOND), F.C.A.  
B.Sc., B.Com., F.C.A.  
B.Com., LL.B., F.C.A.

R.N. BARDHAN

P.K. BHATTACHARYA

B.Com., F.C.A.

B.Com., F.C.A.

CENTRE POINT  
ROOM NO. 314  
21, OLD COURT HOUSE STREET  
KOLKATA - 700 001  
Phone : 2248-2758/0279 Res : 2289-1398  
e-mail : sskotharico@gmail.com

## INDEPENDENT AUDITORS' REPORT

To the Members of Shristi Hotel Private Limited

### Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of Shristi Hotel Private Limited ("the Company"), which comprises the balance sheet as at 31<sup>st</sup> March 2017, and the statement of profit and loss and the 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 and presentation 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 and Companies (Accounting Standards) Amendment rules, 2016. 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 standalone financial statements that give a true and fair view and are free from material misstatements, 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 thereunder.

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 standalone financial statements are free from material misstatement.

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 standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances over financial reporting and the operating effectiveness of such controls. 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 standalone 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and its profit and its cash flows for the year ended on that date.



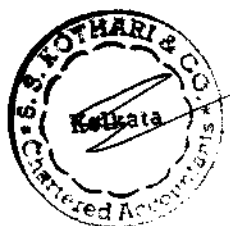
### Report on Other Legal and Regulatory Requirements

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**, a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable to the company.

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;
- (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 standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of written representations received from the directors as at 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors as on 31<sup>st</sup> March 2017 are disqualified from being appointed as a director in terms of Section 164(2) of the Act; and
- (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:
  - i. The Company does not have any pending litigations which would impact the financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The company has provided requisite disclosure in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on auditing procedures and relying on management representations, we report that the disclosure is in accordance with the books of accounts maintained by the company as provided to us by the management. (Refer note 23).

Kolkata  
Dated: 23<sup>rd</sup> May, 2017



For S S Kothari & Co.  
Chartered Accountants  
Firm's Registration No.302034E

R N Bardhan

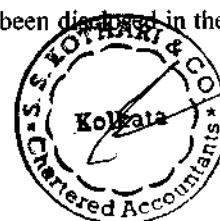
Partner

Membership No. 017270

**Annexure - A to the Independent Auditor's Report**

**(Refer to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements of our report of even date to the members of Shristi Hotel Private Limited on the standalone financial statements for the year ended 31<sup>st</sup> March,2017)**

1. a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a phased program of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with such program, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the Company.
2. There are no inventories at the beginning and close of the year.
3. According to the information and explanation given to us and on the basis of our examination of books of account, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act,2013.
4. In our opinion and according to the information and explanations given to us, the company has not given loan and guarantee, made investment and provide securities in terms of provisions of section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits, thus the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act rules framed there under is not applicable. Accordingly, clause (v) of Paragraph 3 of the order is not applicable to the Company.
6. According to the information and explanations given by the management, maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not applicable to the Company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund and employees' state insurance. No dues in respect of income tax, sales tax, service tax, value added tax, cess and any other statutory dues arose during the year ended 31st March, 2017. As explained to us, the company did not have any dues on account of investor education and protection fund, duty of customs and duty of excise arise during the year.
- b) According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, sales tax, service tax, value added tax, cess which were outstanding at the yearend for a period of more than 6 months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax, cess and Service tax which have not been deposited on account of any dispute.
8. The Company has taken term loans from banks during the year. The repayment of such loans are yet to commence, hence no default in repayment of such loans has occurred.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Term loans taken during the year have been applied for the purposes for which they were raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration paid or provided by the Company is in accordance with the provisions section 197 read with Schedule V to the Act, during the year.
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 explanations given to us and based on our examination of the records of the Company, transactions with the related parties and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.





14. According to the information and explanations give 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.
15. 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. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India.

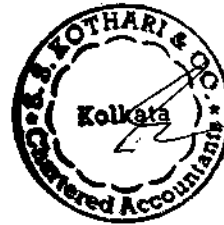
Kolkata  
Dated: 23<sup>rd</sup> May, 2017

For S S Kothari & Co.  
*Chartered Accountants*  
Firm's Registration No.302034E



**R N Bardhan**  
*Partner*

Membership No. 017270



## **Annexure - B to the Independent Auditors' Report**

**(Referrer to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements of our report of even date to the members of Shristi Hotel Private Limited on the standalone financial statements for the year ended 31<sup>st</sup> March,2017)**

### **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 **Shristi Hotel Private Limited** 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 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.

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 standalone 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.

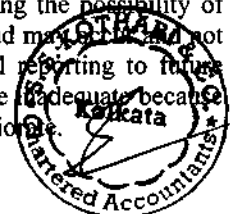
#### **Meaning of Internal Financial Controls over Financial Reporting**

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 standalone 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 standalone 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 standalone 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 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 31 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 Institute of Chartered Accountants of India.

For S S Kothari & Co.

*Chartered Accountants*

Firm's Registration No.302034E



**R N Bardhan**

*Partner*

Membership No. 017270

Kolkata

Dated: 23<sup>rd</sup> May, 2017



**SHRISTI HOTEL PRIVATE LIMITED**
**BALANCE SHEET as at 31st March, 2017**
**(Rs.)**

	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	923,076,920	923,076,920
(b) Reserves and Surplus	4	498,784,383	498,062,945
<b>2 Non-Current Liabilities</b>			
(a) Long- Term Borrowings	5	3,589,368,478	2,172,409,735
(b) Long- Term Provisions	6	6,018,175	5,177,301
<b>3 Current Liabilities</b>			
(a) Trade Payables	7	200,549,696	175,700,965
(b) Other Current Liabilities	8	326,974,141	158,527,137
<b>Total</b>		<b>5,544,771,793</b>	<b>3,932,955,003</b>
<b>II. ASSETS</b>			
<b>1 Non- Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	124,775,426	126,733,020
(ii) Intangible Assets		167,464	322,599
(iii) Capital Work-in-Progress		4,711,029,228	3,453,077,633
(b) Deferred Tax Assets (net)	10	256,894	135,703
(c) Long- Term Loans and Advances	11	250,319,275	212,457,569
<b>2 Current Assets</b>			
(a) Cash and Cash Equivalents	12	367,808,433	58,363,483
(b) Short- Term Loans and Advances	13	90,415,073	81,864,995
<b>Total</b>		<b>5,544,771,793</b>	<b>3,932,955,003</b>

The accompanying Notes form an integral part of these Financial Statements.

In terms of our Report attached  
 For S.S.Kothari & Co.  
 Firm Regn. No. 302034E  
 Chartered Accountants

On behalf of the Board of Directors



R.N. Bardhan  
 Partner  
 Membership No.17270

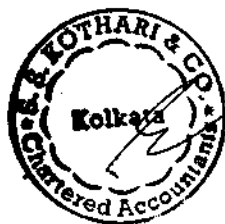
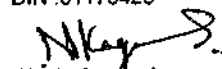


Sujit Kanoria  
 Managing Director  
 DIN :01175425



Sunil Jha  
 Director  
 DIN: 00085667

Date: 23/5/2017  
 Place: Kolkata


  
 Navin Agarwal  
 Company Secretary

**SHRISTI HOTEL PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2017**

(Rs.)

	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>INCOME</b>			
I. Other Income	14	10,321,978	3,202,061
<b>II. Total Revenue</b>		<b>10,321,978</b>	<b>3,202,061</b>
<b>III. EXPENSES</b>			
Employee Benefits Expense	15	6,085,287	1,531,909
Finance Costs	17	-	-
Depreciation and Amortisation Expense	9.2	1,225,052	1,078,952
Other Expenses	18	2,122,391	397,960
<b>Total Expenses</b>		<b>9,432,730</b>	<b>3,008,821</b>
<b>IV. Profit before Tax (II-III)</b>		<b>889,248</b>	<b>193,240</b>
<b>V. Tax Expense:</b>			
(1) Current tax		289,000	63,000
(2) Current tax relating to earlier year		-	-
(3) Deferred Tax Credit		(121,190)	349,233
<b>VI. Profit for the year (IV-V)</b>		<b>721,438</b>	<b>(218,993)</b>
<b>VII. Earning per Equity Share:</b>			
(1) Basic	19	0.01	0.00
(2) Diluted	19	0.01	0.00

The accompanying Notes form an integral part of these Financial Statements.

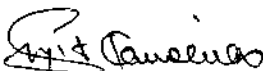
In terms of our Report attached  
For S.S.Kothari & Co.  
Firm Regn. No. 302034E  
Chartered Accountants

On behalf of the Board of Directors



R.N. Bardhan  
Partner  
Membership No. 17270

Date: 23/5/2017  
Place: Kolkata



Sujit Kanoria  
Managing Director  
DIN : 01175425



Sunil Jha  
Director  
DIN: 00085667

  
Navin Agarwal  
Company Secretary




**SHRISTI HOTEL PRIVATE LIMITED**  
**CASH FLOW STATEMENT** For the year ended 31st March, 2017

	(Rs.)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	889,248	193,240
<b>Adjustments for:</b>		
Depreciation and Amortisation	1,225,052	1,078,952
Finance Costs	-	-
Interest Income	(8,129,430)	-
Miscellaneous Income	-	(91,999)
Profit on sale of Fixed Assets	-	(44,484)
<b>Operating Loss before Working Capital changes</b>	<b>(6,015,131)</b>	<b>1,135,709</b>
<b>Adjustments for:</b>		
Trade and Other Receivables	(45,869,635)	246,202,800
Trade Payables and Other Liabilities	194,136,609	184,063,742
<b>Cash Generated/ (used) in Operations</b>	<b>142,251,843</b>	<b>431,402,251</b>
Income Taxes Paid (Net)	(831,149)	(1,272,290)
<b>Net Cash Generated/ (used) in Operating Activities (A)</b>	<b>141,420,694</b>	<b>430,129,961</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Expenditure on Fixed Assets including Capital Advances	(928,190,234)	(970,929,884)
Proceeds from sale of fixed assets	-	(595,314)
Interest Received	8,129,430	1,627,154
Miscellaneous Income	-	91,999
<b>Net Cash (used in) Investing Activities (B)</b>	<b>(920,060,804)</b>	<b>(969,806,045)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loan Processing Fees	-	-
Finance Costs	-	-
Repayment of Borrowing	1,416,958,744	771,033,324
Interest paid	(328,873,684)	(268,562,441)
<b>Net Cash (used in) Financing Activities (C)</b>	<b>1,088,085,060</b>	<b>502,470,883</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents [A+B+C]</b>	<b>309,444,950</b>	<b>(37,205,201)</b>
Opening Cash and Cash Equivalents	58,363,483	95,568,684
<b>Closing Cash and Cash Equivalents</b>	<b>367,808,433</b>	<b>58,363,483</b>

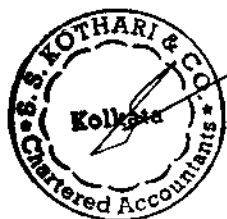
**Notes:**

- The above cash flow statement has been prepared under the 'indirect method' as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Figures for the previous year have been re-arranged and re-grouped wherever necessary.

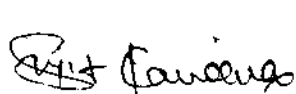

In terms of our Report attached  
**For S.S.Kothari & Co.**  
Chartered Accountants  
Firm Regn. No. 302034E

  
R.N. Bardhan  
Partner  
Membership No. 17270

Date: 23/5/2017  
Place: Kolkata



**On behalf of the Board of Directors**

   
Sujit Kanoria  
Managing Director  
DIN : 01175425  
Sunil Jha  
Director  
DIN : 00085667

  
Navin Agarwal  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Shristi Hotel Private Limited (the "Company") is incorporated under the Companies Act, 1956. The Company is setting up of a Greenfield project of a five star hotel at New Town, Rajarhat, Kolkata.

## 2. Summary of Significant Accounting Policies

## 2.1 Basis of Preparation

These financial statements are prepared under historical cost convention on an accrual basis of accounting to comply in all material aspects with the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) of the Companies Act, 1956 (the "Act") and other relevant provisions of the Act.

## 2.2 Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires Management to make estimates and assumptions considered in reporting amounts of Assets and Liabilities (including Contingent Liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

## 2.3 Fixed Assets (including intangible assets)

Fixed Assets are stated at historical cost less accumulated depreciation (including amortisation) and impairment losses if any. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. An impairment loss is recognised wherever the carrying value of the fixed assets exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

## 2.4 Depreciation and Amortisation

Depreciation/ amortisation on Tangible/ Intangible Assets (other than Leasehold Land) is charged on useful life of the assets as per Schedule II of the Companies Act 2013. Leasehold land is amortised over the primary lease period.

## 2.5 Revenue Recognition

Revenue is recognised when significant risk and rewards of ownership of the services is transferred to the buyer and the revenue is measurable at the time of sale and it is reasonable to expect estimate collection of sale consideration.

## i). Interest

Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the applicable rate.

## 2.6 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expenses in the period they are incurred.

## 2.7 Foreign Currency Transactions

## i). Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency on the date of the transaction.

## ii). Conversion

Monetary assets and liabilities in currencies other than the reporting currency remaining unsettled are remeasured at the rates of exchange prevailing on the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

## iii). Exchange Difference

Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in profit or loss for the year.

## 2.8 Employee Benefits

## i). Short term benefits

Short term employee benefits (i.e. benefits payable within one year) is recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

## ii). Post employment benefits

## Defined Contribution plans

Defined contribution plans are those plans where the Company pays fixed contributions to a separate entity. Contributions are paid in return for services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

## Defined Benefit Plans

Defined benefit plans are arrangements that provide guaranteed benefits to employees, either by way of contractual obligations or through a collective agreement. This guarantee of benefits represents a future commitment of the Company and, as such, a liability is recognised. The present value of these defined benefit obligations are ascertained by year end actuarial valuation as per the requirement of Accounting Standards 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Statement of Profit and Loss in full in the year in which they occur.

## 2.9 Income taxes

## i). Current Taxes

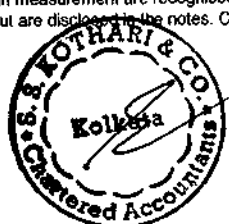
Provision for Current tax is determined as the amount of tax payable in respect of taxable income for the year, computed in accordance with the provisions of the Income Tax Act, 1961.

## ii). Deferred Taxes

Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are periodically reviewed to reassess realisation thereof.

## 2.10 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



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**SHRISTI HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

(Rs.)

3. Share Capital	As at 31st March 2017	As at 31st March 2016
<b>Authorised:</b>		
32,465,000 (31.03.2016: 32,465,000) 'Class A' Equity Shares of Rs. 10 each	324,650,000	324,650,000
60,435,000 (31.3.2016: 60,435,000) 'Class B' Equity Shares of Rs. 10 each	604,350,000	604,350,000
100,000 (31.3.2016: 100,000) 'Class C' Equity Shares of Rs. 10 each	1,000,000	1,000,000
<b>Total</b>	<b>930,000,000</b>	<b>930,000,000</b>
<b>Issued, Subscribed and Fully Paid up:</b>		
32,272,692 (31.3.2016: 32,272,692) 'Class A' Equity Shares of Rs. 10 each fully paid up	322,726,920	322,726,920
59,935,000 (31.3.2016: 59,935,000) 'Class B' Equity Shares of Rs. 10 each fully paid up	599,350,000	599,350,000
100,000 (31.3.2016: 100,000) 'Class C' Equity Shares of Rs. 10 each fully paid up	1,000,000	1,000,000
<b>Total</b>	<b>923,076,920</b>	<b>923,076,920</b>

**3.1 Reconciliation of number of shares:**

Particulars	Class A Equity Shares		Class B Equity Shares		Class C Equity Shares	
	No. of shares	Rs.	No. of shares	Rs.	No. of shares	Rs.
Shares outstanding on 01.04.2016	32,272,692	322,726,920	59,935,000	599,350,000	100,000	1,000,000
Shares outstanding on 30.09.2016	32,272,692	322,726,920	59,935,000	599,350,000	100,000	1,000,000

**3.2 Terms / rights attached to Equity Shares:**

The Company has three classes of equity shares having a face value of Rs. 10/- each. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding. The Company in the General meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Following are the voting rights attached to each class of Equity Shares:

Class	Voting Right
Class A	With an aggregate voting right of 0.67% for all Equity Shares.
Class B	With an aggregate voting right of 1.33% for all Equity Shares.
Class C	With an aggregate voting right of 98% for all Equity Shares.

**3.3 Details of share holders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholder	Relationship	Nature of Equity Shares	31st March 2017		31st March 2016	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shristi Infrastructure Development Corporation Limited along with its nominees	Promoter	Class B Class C	59,935,000 65,000	100.00 65.00	46,103,846 50,000	76.92 50.00
Rama INN (International) Private Limited	Promoter	Class B	-	-	13,831,154	23.08
Rishima SA Investments LLC	Investor	Class A Class C	32,272,692 35,000	100.00 35.00	32,272,692 35,000	100.00 35.00



*Signature of S. S. Kothari*

*Signature of S. S. Kothari*

*Signature of S. S. Kothari*



**SHRISTI HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

(Rs.)

4. Reserves and Surplus	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
Securities Premium as at the beginning and end of the year		476,923,090		476,923,090
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year	21,139,865		21,358,858	
Add: Profit for the year	721,438		(218,993)	
Adjustment for Depreciation	-	21,861,303	-	21,139,865
<b>Total</b>		<b>498,784,383</b>		<b>498,062,945</b>

5. Long-Term Borrowings	As at 31st March 2017	As at 31st March 2016
<b>Secured</b>		
<b>Term Loans</b>		
From Banks		
From Corporation Bank	-	499,911,290
Term Loan-Yes Bank	2,839,368,478	-
Term Loan - Srei	750,000,000	-
Term Loan-Central Bank of India	-	500,000,000
From Axis Bank	-	1,172,498,444
	<b>3,589,368,478</b>	<b>2,172,409,735</b>

**5.1 Nature of Security and Terms of Repayment of Secured Borrowings:**

The Term Loan is secured by a first pari passu mortgage on land and building of the hotel project at Kolkata, first pari passu charge on all present and future moveable fixed assets and entire current assets including cash together with 3.5 acre of leasehold land. It is carrying Corporate Guarantee of Shristi Infrastructure Development Corporation Limited. The loan carries interest at Base Rate +2.40%, effective rate being 12.65%p.a. payable at monthly rest.

6. Long-Term Provisions	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
<b>Provision for Employee Benefits</b>				
Gratuity	3,186,070		2,560,123	
Compensated Absence	2,832,105	6,018,175	2,617,178	5,177,301
<b>Total</b>		<b>6,018,175</b>		<b>5,177,301</b>

7. Trade Payables	As at 31st March 2017	As at 31st March 2016
Creditor for Supplies/ Services (Refer Note 7.1 below)	200,549,695	175,700,965
<b>Total</b>	<b>200,549,695</b>	<b>175,700,965</b>

**7.1 Dues to The Micro, Small and Medium Enterprises:**

The Company has not received any intimation from its vendors regarding their status under The Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosures relating to their outstanding amount and interest have not been made.

8. Other Current Liabilities	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
Interest Accrued and due on Borrowings	-		-	
Loans and Advances from related parties	307,672,813		142,318,470	
<b>Other Payables:</b>				
Statutory Dues	19,301,328		15,248,974	
Income Received in Advance	-		959,693	
Bank Overdraft	-	326,974,141	-	158,527,137
<b>Total</b>		<b>326,974,141</b>		<b>158,527,137</b>



*Handwritten signature: N. S. Kothari*

SHRISTI HOTEL PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (Contd.)

9. Tangible Assets										(Rs.)
Own Assets	Gross Block - At Cost			Depreciation/Amortisation				Net Block		
	As at 1st April 2016	Additions during the year	Deletions during the year	As at 31st Mar 2017	Upto 1st April 2016	For the year	Adjusted with Retained Earnings	Deletions during the year	As at 31st Mar 2017	As at 31st Mar 2016
Tangible assets										
Leasehold Land (Refer Note 9.1 below)	137,500,000	-	-	137,500,000	13,924,048	1,740,506		-	121,835,446	123,575,952
Furniture and Fixtures	1,793,015	212,200	-	2,005,215	692,148	245,366		-	1,067,701	1,100,867
Office Equipments	1,835,272	376,092	-	2,211,364	839,437	315,771		-	1,056,156	995,835
Computers	2,885,513	264,537	-	3,150,050	1,825,147	508,780		-	816,123	1,060,366
Total Tangible Assets	144,013,800	852,829	-	144,866,629	17,280,780	2,810,423	-	-	124,775,426	126,733,020
Previous Year Total	143,439,464	1,389,650	815,314	144,013,800	15,208,980	2,711,598	-	639,798	126,733,020	
Intangible assets										
Computer Software (Acquired)	696,840	-	-	696,840	374,241	155,135		-	167,464	322,599
Total Intangible Assets	696,840	-	-	696,840	374,241	155,135		-	529,376	322,599
Previous Year Total	665,392	31,448	-	696,840	266,381	107,860		-	374,241	322,599

9.1: Land is taken on lease hold basis and lease rent payable as per the agreement entered with the lessor. The lease term is for 80 years and renewable for further 80 years at the option of the company as per the agreement. Lease rental payments in respect of leasehold land is recognized as an expense in the Statement of Profit and Loss on the straight-line basis over the primary lease term.

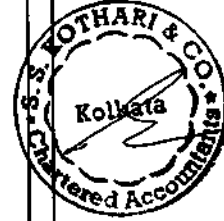
9.2 Depreciation and Amortisation Expense:

	For the year ended 31st March 2017	For the year ended 31st March 2016
Depreciation/ Amortisation on Tangible/ Intangible Assets	2,965,558	2,819,458
Less: Transfer to Pre-Operative Expenses	(1,740,506)	(1,740,506)
<b>Net Depreciation charged to Statement of Profit and Loss</b>	<b>1,225,052</b>	<b>1,078,952</b>

9.3 Capital Work-in-Progress includes:

Pre-Operative Expenses pending allocation:

Particulars	For the year ended 31st March 2017	Year ended 31st March 2016
Depreciation and Amortisation	13,974,946	12,234,440
Employees Cost	240,374,904	125,374,904
Professional and Consultancy Fees	413,977,634	219,588,083
Rent	1,041,000	1,041,000
Security Charges	18,456,772	16,456,772
<b>Total</b>	<b>686,825,256</b>	<b>374,695,199</b>



*Pratik Banerjee*

*NR*

*SR*

**SHRISTI HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

	(Rs.)			
10. Deferred Tax Assets / (Liabilities) (Net)	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
Tax Impact of- Assets: Accrued expenses deductible when paid	272,822		253,208	
Liabilities: Difference between Tax Depreciation and Book Depreciation	15,928	256,894	117,505	135,703
<b>Net Assets</b>		<b>256,894</b>		<b>135,703</b>
11. Long- Term Loans and Advances	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
Unsecured, Considered Good Security Deposits	135,494,750	135,494,750	133,512,620	133,512,620
Loans and Advances to related parties (Project Advance)				
Other Loans and Advances: Service Tax Recoverable	104,401,349	114,824,525	69,063,922	78,944,949
Advance Income Tax [Net of Provision Rs. 58,54,162/- (31.03.2016: Rs. 57,91,162)]	10,423,176		9,881,027	
<b>Total</b>		<b>260,319,275</b>		<b>212,457,569</b>
12. Cash and Cash Equivalents	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
Balances with Banks a) In Current Accounts	242,462,149	367,808,433	4,145,708	58,363,483
b) In Deposit Accounts (With original maturity of less than 3 months)	125,278,843		53,885,822	
c) Deposits with original maturity of more than 3 months but less than 12 months	-		-	
Cash on hand	67,441		331,953	
<b>Total</b>		<b>367,808,433</b>		<b>58,363,483</b>
13. Short- Term Loans and Advances	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
Unsecured, Considered Good Advance to Suppliers	90,139,883	90,415,073	81,478,987	81,864,995
Advance for Expenses	275,190		386,008	
<b>Total</b>		<b>90,415,073</b>		<b>81,864,995</b>
14. Other Income	For the year ended 31st March 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2016
Interest Income (On Bank Deposits)	8,129,430	10,321,878	3,065,578	3,202,061
Income on Mutual Fund	1,154,670			
Other Non Operating Income	1,037,877			
-Liabilities/ Provisions no longer required written back	-		91,999	
-Profit on sale of Fixed Assets	-		44,464	
-Interest on Staff advances	-		-	
<b>Total</b>		<b>10,321,878</b>		<b>3,202,061</b>
15. Employee Benefits Expense	For the year ended 31st March 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2016
Salaries, Wages and Bonus	112,094,743	6,085,287	67,990,081	1,531,909
Contribution to Provident and Other Funds (Refer Note 16.1)	5,353,544		2,642,772	
Staff Welfare Expenses	3,637,000		1,449,056	
Less: Expense Capitalised	(115,000,000)		(70,550,000)	
<b>Total</b>		<b>6,085,287</b>		<b>1,531,909</b>

**16.1 Employee Benefits**

**a) Defined Contribution Plan**

The Company has recognised, in the Statement of Profit and Loss for the current year an amount of Rs. 51,92,213/- (31.3.2015 : Rs. 26,42,772) as expenses under defined contribution plans towards payment of Provident Fund to its employees.

**b) Defined Benefit Plans**

The Company provides the following post retirement employee benefit plans:

**Non funded**

1. Gratuity: Liability towards Gratuity, covering eligible employees, is provided on the basis of year-end actuarial valuation. The most recent actuarial valuation was carried out as at 31st March 2017.

2. Compensated Absences: Accrued liability towards compensated absences, covering eligible employees, evaluated on the basis of year-end actuarial valuation is recognised as a charge in the Statement of Profit and Loss. The most recent actuarial valuation was carried out as at 31st March 2017.



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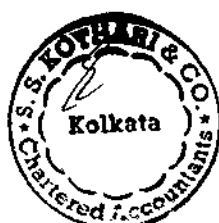
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**SHRISTI HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**16.2: Following are the further particulars with respect to Defined Benefit Plans of the Company for the year ended 31st March 2017:**

**(Rs.)**

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>i. Reconciliation of Opening and closing balances of present value of defined benefit obligation:</b>				
a. Present Value of Obligation as at the beginning of the year	2,580,123	1,983,676	2,617,178	2,413,202
b. Current Service Cost	1,435,133	786,282	305,786	444,047
c. Interest Cost	215,482	182,250	204,348	201,766
d. Actuarial (gains)/Losses	(1,007,026)	(392,085)	(118,043)	(441,837)
e. (Benefits Paid)	(17,642)	-	(177,164)	-
f. Present Value Obligation as at the end of the year	3,186,070	2,560,123	2,832,105	2,617,178
<b>ii. Reconciliation of the opening and closing balances of fair value of plan assets and defined benefit obligation:</b>				
a. Present value of obligation as at the end of the year	3,186,070	2,560,123	2,832,105	2,617,178
b. Fair value of plan assets as at the end of the year	-	-	-	-
c. Net Deficit/(Surplus) recognised in the balance sheet	(3,186,070)	(2,560,123)	(2,832,105)	(2,617,178)
<b>iii. Expense recognised during the year in the Statement of Profit and Loss</b>				
a. Current Service Cost	1,435,133	786,282	305,786	444,047
b. Interest Cost	215,482	182,250	204,348	201,766
c. Expected return on plan assets	-	-	-	-
d. Actuarial (gains)/Loss	(1,007,026)	(392,085)	(118,043)	(441,837)
e. Total Expenses recognised during the year*	643,589	576,447	392,091	203,976
*The Expenses is disclosed in the line item - Employee Benefits Expenses - Salary, Wages and Bonus in Note 16				
<b>iv. Principal Actuarial Assumptions</b>				
a. Discount rate (per annum)	7.50%	8.00%	7.50%	8.00%
b. Estimated rate of return on plan assets	NA	NA	NA	NA
c. Average Future Service	26.48	18.26	26.48	18.26
d. Rate of escalation of salary	5.00%	5.00%	6.00%	6.00%
e. Method Used	Projected Unit Credit Method			
<b>v. Other Disclosures</b>				
<b>a. Gratuity Scheme</b>				
Experience History	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014
1 Defined Benefit Obligation at end of the period	3,186,070	2,560,123	1,983,676	1,405,554
2 Plan Assets at end of the period	-	-	-	-
3 Funded Status	(3,186,070)	(2,560,123)	(1,983,676)	(1,405,554)
4 Experience Gain/(Loss) adjustments on plan liabilities	188,723	216,759	50,224	(48,770)
5 Experience Gain/(Loss) adjustments on plan assets	-	-	-	-
6 Actuarial Gain/(Loss) due to change on assumptions	-	-	-	-
<b>b. Compensated Absences</b>				
Experience History	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014
1 Defined Benefit Obligation at end of the period	2,832,105	2,617,178	2,413,202	1,464,868
2 Plan Assets at end of the period	-	-	-	-
3 Funded Status	(2,832,105)	(2,413,202)	(1,464,868)	(1,119,815)
4 Experience Gain/(Loss) adjustments on plan liabilities	155,853	257,000	61,211	(32,019)
5 Experience Gain/(Loss) adjustments on plan assets	-	-	-	-
6 Actuarial Gain/(Loss) due to change on assumptions	-	-	-	-
<b>17. Finance Costs</b>	For the year ended 31st March 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2016
Interest (Gross)	328,873,684	-	268,562,441	-
Less: Amount transferred to Capital Work-in-Progress	328,873,684	-	268,562,441	-
Less: Amount transferred to Long-Term Loans and Advances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>18. Other Expenses</b>	For the year ended 31st March 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2016
Rent	-	2,091,915	-	2,150,936
Repairs- Others	-	1,787,866	-	1,425,665
Insurance	-	544,481	-	5,116,087
Rates and Taxes	-	29,582	-	90,000
Professional Charges	-	103,251,830	-	90,986,442
Travelling and Conveyance	-	53,907,760	-	22,068,959
Business Promotion	-	6,835,649	-	4,014,484
General Expenses	-	23,906,559	-	10,143,100
Guest House Expenses	-	1,255,913	-	682,073
Printing and Stationery	-	1,040,508	-	858,496
Payment to Auditors (including service tax):	-	-	-	-
Statutory Audit Fees	69,000	-	68,700	-
Tax Audit Fees	17,250	86,250	17,175	85,875
Security Charges	-	-	-	7,540,466
Telephone Expenses	-	1,773,631	-	1,104,622
Less: Expense Capitalised	-	(194,389,551)	-	(145,869,245)
<b>Total</b>	-	2,122,391	-	397,960



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**SHRISTI HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**19. Earnings Per Share (EPS)- The numerators and denominators used to calculate Basic and Diluted EPS**

	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit after Tax (A)	721,438	130,240
Weighted average number of Outstanding Equity Shares (In Numbers) (B)	92,307,692	92,307,692
Nominal Value of Equity Shares (In Rs.)	10	10
Earnings per Share- Basic and Diluted (In Rs.) (A/B)	0.01	0.00

**20. Expenditure In Foreign Currency**

	For the year ended 31st March 2017	For the year ended 31st March 2016
Professional Fees	2,968,573	6,485,401
Foreign Travel	3,615,064	5,082,989
<b>Total</b>	<b>6,783,637</b>	<b>11,568,390</b>

**21. Related Party Disclosures**

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

**a) List of Related Parties**

Promoter

Investor

Key Management Personnel

Shristi Infrastructure Development Corporation Limited  
Rishma SA Investments LLC  
Mr. Sujit Kanoria, Managing Director

**b) Particulars of Transactions during the year and year end balances**

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>I. With Shristi Infrastructure Development Corporation Limited</b>		
Transactions during the Year		
Construction Expenses	7,129,340	200,823,624
Year End Balances		
Mobilisation Advances	(307,672,813)	(142,318,470)
Security Deposit	120,000,000	120,000,000
Trade Payables	-	-
	<b>(187,672,813)</b>	<b>(22,318,470)</b>
<b>II. With Key Management Personnel</b>		
Remuneration (Managing Director)	12,073,747	11,447,527

**22. Contingent Liabilities**

i) Letter of Credit given by Bank on behalf of the Company Rs. 81.82 Lacs ( Previous Year Rs. 458 Lacs).

ii) Bank Guarantees given by Bank on behalf of the Company for import of capital goods under Export Promotion Capital Goods (EPCG Scheme) to the extent of Rs. 2492.25 Lacs  
The Company has imported certain capital goods under EPCG Scheme with NIL custom duty. Under the Scheme, the Company is required to fulfill certain export obligations, failing with it it liable for payment

iii) Interest payable to Shristi Infrastructure Development Corporation Ltd.

The Company from time to time has take loans/advances from Shristi Infrastructure Development Corporation Ltd (lending company) in order to meet its funds requirements. The interest on such

**23. 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	Total
Closing cash in hand as on 08.11.2016	400,000	697,120	1,097,120
(+) Permitted receipts	-	522,340	522,340
(-) Permitted payments	-	1,171,897	1,171,897
(-) Amount deposited in Banks	400,000	-	400,000
Closing cash in hand as on 30.12.2016	-	47,563	47,563

**24. Previous Year Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Signatures to Note '1' to '24'**

On behalf of the Board of Directors

*Sujit Kanoria*  
Sujit Kanoria  
Managing Director  
DIN : 01175425

*Navin Agarwal*  
Navin Agarwal  
Company Secretary

Sunil Jha  
Director  
DIN: 00085667

Date: 23/05/2017  
Place: Kolkata



# S. S. KOTHARI & CO.

CHARTERED ACCOUNTANTS

S.S. KOTHARI B.Com., C.T.A. (LOND), F.C.A. R.N. BARDHAN B.Com., F.C.A.  
R.K. ROYCHOUDHURY B.Sc., B.Com., F.C.A.  
T.K. SENGUPTA B.Com., LL.B., F.C.A. P.K. BHATTACHARYA B.Com., F.C.A.

CENTRE POINT  
ROOM NO. 314  
21, OLD COURT HOUSE STREET  
KOLKATA - 700 001  
Phone : 2248-2758/0279 Res : 2289-1398  
e-mail : sskotharico@gmail.com

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF VIPANI HOTELS & RESORTS PVT. LTD.

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Vipani Hotels & Resorts pvt. Ltd.** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2017, and the 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 thereunder.

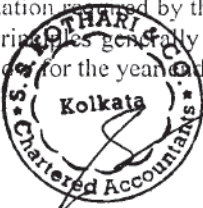
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material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

An audit involves performing procedures to obtain audit evidence about the amounts and 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, 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 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 standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, accompanying 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, of the state of the affairs of the company as at 31<sup>st</sup> March 2017, and its Cash flow 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" a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable to the company.
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;
  - (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 Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statement 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 written representations received from the directors as at 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors as on 31<sup>st</sup> March 2017 are disqualified from being appointed as a director in terms of Section 164(2) of the Act; and
  - (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:
    - i) The Company does not have any pending litigations which would impact the financial position;
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) The company has provided requisite disclosure in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on auditing procedures and relying on management representations, we report that the disclosure is in accordance with the books of accounts maintained by the company as provided to us by the management. (Refer note 10).

Centre point  
21, Old court House Street,  
Kolkata - 700001  
The day of May, 2017



For S. S. Kothari & Co.  
Chartered Accountants  
Firm's Registration No. 302034E

(R N Bardhan)  
partner  
Membership No. 017270



### Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our audit report of even date to the financial statements of the company for the year ended March 31, 2017.

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 Companies Act, 2013 and on the basis of such checks as we considered appropriate and the information and explanation given to us, we further report that:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) All the assets have been physically verified by the management during the year and there is a regular programme of verification 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 verification.  
(c) Title deeds of immovable properties are held in the Name of the company.
- ii. There are no inventories at the beginning and close of the year.
- iii. As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act and as such clauses 3(iii) (a) to (c) of the Order are not applicable.
- iv. There was no loan, investment, guarantee and security during the year under Section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public, thus the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act rules framed there under, is not applicable. Accordingly clause (v) of Paragraph 3 of the order is not applicable to the Company.
- vi. Maintenance of cost records has not been specified by the central government under sub Section (1) of section 148 of the Companies Act, 2013 for the activities of the company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including income tax and cess, service tax with appropriate authorities during the year ended 31 March 2017. As explained to us, the Company did not have any dues on account of provident fund, investor education and protection fund, Employees' state insurance, sales tax, wealth tax, value added tax, duty of customs and duty of excise.  
According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax and cess and Service tax which were outstanding at the year end, for a period of more than 6 months from the date they become payable.  
b) According to the information and explanations given to us, there are no dues of income tax and cess and Service 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, paragraph 3(viii) of the Order is not applicable.
- 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. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 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. The Company did not paid/provided for any managerial remuneration covered under the provisions of section 197 read with Schedule V to the Act, during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. 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.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give 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.
- 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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Centre point  
21, Old court House Street,  
Kolkata - 700001  
The day of May, 2017



For S. S. Kothari & Co.  
Chartered Accountants  
Firm's Registration No. 302034E

  
(R N Bardhan)

partner  
Membership No. 017270



**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATES ON THE  
STANDALONE FINANCIAL STATEMENTS OF VIPANI HOTELS & RESORTS PVT. LTD.**

**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 **VIPANI HOTELS & RESORTS PVT. LTD.** ("the Company") as of March 31, 2017 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**

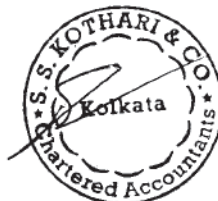
The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 168 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 March 31, 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 Institute of Chartered Accountants of India"

Centre Point  
21, Old court House street,  
Kolkata -700001  
The day of May, 2017

*24th*

For S. S. Kothari & Co.  
Chartered Accountants  
Firm's Registration No.302034E

*[Signature]*

(R N Bardhan)  
Partner  
Membership No:017270



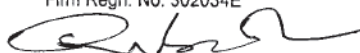
Vipani Hotels & Resorts Pvt.Ltd.  
Balance Sheet as at March 31, 2017

Particulars	Notes	(Amount in Rs.)	
		As at 31.03.2017	As at 31.03.2016
<b>EQUITY &amp; LIABILITIES</b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	2	49,60,000	49,60,000
Reserve and Surplus	3	(43,26,285)	(43,26,285)
<b>Non-Current Liabilities</b>			
Long term borrowings	4	35,66,513	34,60,758
<b>Current Liabilities</b>			
(a) Trade payable	5	-	14,870
(b) Other Current liabilities	6	61,813	21,936
<b>Total</b>		<b>42,62,041</b>	<b>41,31,279</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Capital work-in-progress	7	26,53,454	25,30,044
<b>Current assets</b>			
Cash and cash equivalents	8	27,141	14,789
Short term loans and advances	9	15,81,446	15,86,446
<b>Total</b>		<b>42,62,041</b>	<b>41,31,279</b>
Summary of significant accounting policies	1		

The accompanying notes form an integral part of the financial statements


As per our report of even date


For S.S. KOTHARI & CO  
Chartered Accountants  
Firm Regn. No. 302034E

  
R.N. Bardhan  
Partner  
Membership No. 17270

Place: Kolkata  
Date: 24/05/2017

For & on behalf of the Board

  
(Sujit Kanoria)  
Director  
DIN: 01175425

  
(Rajiv Keshri)  
Director  
DIN: 07703541



**Vipani Hotels & Resorts Pvt.Ltd.**  
Cash Flow Statement for the year ended 31.03.2017

Particulars	(Amount in Rs.)	
	Year ended 31st March, 2017	Year ended 31st March 2016
<b>A. CASH FLOW OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax and Extraordinary items	-	-
Adjusted for		
Interest Received	-	-
Excess provision of earlier year written back	-	-
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	-	-
Adjustments for:		
(Increase) / Decrease in Trade Receivable	5,000	7,59,834
Increase / (Decrease) in Trade Payable	25,007	(6,337)
Cash Generated from Operations	30,007	7,53,497
Direct Tax Paid	-	-
<b>Net Cash From Operating Activities</b>	<b>30,007</b>	<b>7,53,497</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	-	-
Capital Work in Progress	(1,23,410)	25,842
	<b>(1,23,410)</b>	<b>25,842</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan	1,05,755	(7,86,500)
	<b>1,05,755</b>	<b>(7,86,500)</b>
<b>D. Increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>12,352</b>	<b>(7,161)</b>
Opening Balance of Cash and Cash equivalents	14,789	21,950
Closing Balance of Cash and Cash equivalents	27,141	14,789

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.S. KOTHARI & CO  
Chartered Accountants  
Firm Regn. No. 302034E

R.N. Bardhan  
Partner  
Membership No. 17270

Place: Kolkata  
Date: 24/05/2017

For & on behalf of the Board



(Sujit Kanoria)  
Director  
DIN: 01175425



(Rajiv Keshri)  
Director  
DIN: 07703541





**VIPANI HOTELS & RESORTS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR PERIOD ENDED 31ST MARCH,**  
**2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. ACCOUNTING CONVENTIONS**

The accompanying financial statements have been prepared and presented under the historical cost convention and on an accrual basis unless otherwise stated. These financial statements have been prepared in compliance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the mandatory Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the 2013 Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the 2013 Act (to the extent notified and applicable). The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

**B. USE OF ESTIMATES**

The presentations of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

**C. CAPITAL WORK IN PROGRESS**

Capital Work in Progress (CWIP) is carried at cost, comprising direct cost and related incidental expenses and interest on borrowings to the extent attributed to them including capital advances.

**D. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**E. TAXATION**

**a. Current Tax**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.

**b. Deferred Tax**

- i) Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences.
- ii) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.



13


Agit Ramesh

VIPANI HOTELS & RESORTS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR PERIOD ENDED 31ST MARCH,  
2017

**F. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.



	As at 31.03.2017 Amount (in Rs.)	As at 31.03.2016 Amount (in Rs.)
<b>Note 2: Share Capital</b>		
<b>Authorised</b>		
5,00,000 (Previous year 5,00,000) equity shares of Rs.10/- each	50,00,000	50,00,000
<b>Issued, Subscribed &amp; Paid up</b>		
4,96,000 (Previous year 4,96,000) equity shares of Rs.10/- each fully paid up	49,60,000	49,60,000
<b>Total</b>	<b>49,60,000</b>	<b>49,60,000</b>

(a) Rights, preference, repayability and restriction, if any, on equity shares All general rights applicable as per Companies Act

(b) Reconciliation of number of shares outstanding at the beginning and end of the year

	31st March, 2017		31st March 2016	
	Number	Value	Number	Value
Shares issued and subscribed at the beginning of the year	4,96,000	49,60,000	4,96,000	49,60,000
Shares issued and subscribed at the end of the year	4,96,000	49,60,000	4,96,000	49,60,000

(c) Details of shareholders holding more than 5% share in the company

	31st March, 2017		31st March 2016	
	Number	% holding	Number	% holding
Name of the Shareholder				
Equity shares of Rs.10 each fully paid up				
- Shristi Infrastructure Development Corp. Ltd. And its nominees	4,96,000	100%		
- Shristi Housing Development Ltd. And its nominees			4,96,000	100%
(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)				

**Note 3: Reserve & Surplus****Profit & Loss account**

As per last balance Sheet

	(43,26,285)	(43,26,285)
<b>Total</b>	<b>(43,26,285)</b>	<b>(43,26,285)</b>

**Note 4: Long term borrowings****Unsecured Loan**Loan from Holding Company (Interest free)  
Total

	35,66,513	34,60,758
<b>Total</b>	<b>35,66,513</b>	<b>34,60,758</b>

**Note 5: Current Liabilities and Provisions****Trade payable**

- Dues to Micro and Small Enterprises

- Dues to other than Micro and Small Enterprises

	-	14,870
<b>Total</b>	<b>-</b>	<b>14,870</b>

**Note 6: Other Current liabilities**

Other Liabilities

	61,813	21,936
<b>Total</b>	<b>61,813</b>	<b>21,936</b>

**Note 7: Capital Work in Progress (Including pre-operative expenses pending allocation/charge off)**

Land & Site Development	24,35,582	24,35,582
Administrative Expenses	4,63,628	3,40,230
Finance Cost	(2,45,768)	(2,45,768)
<b>Total</b>	<b>26,53,442</b>	<b>25,30,044</b>

**Note 8: Cash and cash equivalents**

Cash in hand	2,617	175
Balance with Scheduled Banks		
- in Current accounts	24,524	14,614
<b>Total</b>	<b>27,141</b>	<b>14,789</b>

**Note 9: Short term loans and advances**

(Unsecured and Considered Good)

Other Loans & advances	3,31,446	3,36,446
Security Deposit	12,50,000	12,50,000
<b>Total</b>	<b>15,81,446</b>	<b>15,86,446</b>

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

	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	175	175
(+) Permitted receipts	5,000	5,000
(-) Permitted payments	1,534	1,534
(-) Amount deposited in Banks	-	-
Closing cash in hand as on 30.12.2016	3,641	3,641



Handwritten signature and date 2.



**VIPANI HOTELS & RESORTS PVT. LTD.****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR PERIOD ENDED 31ST MARCH, 2017**

11. No Profit & Loss A/c has been prepared for the current year since the company has not commenced commercial operations.
12. The company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with Accounting Standards as applicable to a small and Medium Sized Company.
13. As the company does not have any employee at the end of year, therefore the company is statutorily not liable to make the provision for Gratuity and disclosure requirement as per Accounting Standard (AS) 15 (Revised 2005) "Employee benefits" is not applicable.
14. As per the information available with the company, there are no dues to any Micro & Small enterprise as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2017. Further no interest has been paid during the year and payable as on 31st March, 2017 to such parties.
15. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

**16. Related Party Transaction**

As per Accounting Standard (AS) 18 "Related Party Disclosures", the company's related parties transactions are disclosed below:

<b>a. List of Related parties &amp; relationships where control exists:</b>	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. Transaction 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.	<b>Closing Balance</b> - Loan and Advances	35,66,513/-	
2.	Shristi Housing Development Limited	<b>Closing Balance</b> - Loan and Advances		34,60,758/-

17. The Board of Directors in their meeting dated 14th February, 2017, had approved a scheme of arrangement for Demerger of hospitality business of the Shristi Infrastructure Development Corporation Limited (100% holding company) to the Company subject to necessary approvals of the shareholders/ creditors and/or any other regulatory body, as may be required. The appointed date of Scheme of amalgamation is 1st January, 2017. The said accounts are prepared without giving any effect of the scheme of arrangement, since the application with National Company Law Tribunal (NCLT) is in process.



**VIPANI HOTELS & RESORTS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR PERIOD ENDED 31ST MARCH,  
2017**

**18. Deferred Tax Assets and Liabilities**

In accordance with the Accounting Standard (AS) 22 "Accounting for Taxes on Income", the company has certain amounts eligible to create Deferred Tax assets (DTA). However, in the absence of virtual certainty with regards to realization of DTA in the foreseeable future, the same has not been recognized.

19. The company has reclassified the previous year's figures in accordance with the requirement applicable in the current year.

As per our report of even date

For S.S.Kothari & Co  
Chartered Accountants  
FR No. 302034E



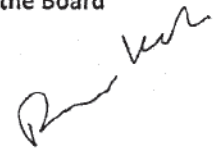
R.N.Bardhan  
Partner  
Membership No. 17270

Date : 24/05/2017  
Place : Kolkata

For and on behalf of the Board



Sujit Kanoria  
Director  
DIN: 01175425



Rajiv Keshri  
Director  
DIN: 07703541

