

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 31st 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 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;
- (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

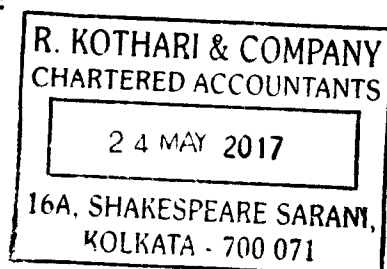
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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.)
I. EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	10,00,000	10,00,000
Reserve & Surplus	3	(64,894)	-
Current Liabilities			
Other Current Liabilities	4	12,076	-
		9,47,182	10,00,000
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	7	-	-
Current Assets			
Short Term Loans & Advances	5	9,35,819	9,93,319
Cash & cash equivalents	6	11,363	6,681
		9,47,182	10,00,000

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. 207069E

(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.
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.)
INCOME			
Revenue from operations		-	-
Other Income		-	-
Total Revenue		-	-
EXPENSES			
Depreciation and Amortization Expenses		-	-
Other Expense	8	64,894	-
Total Expenses		64,894	-
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			-
		-	-
Profit/(Loss) for the period		(64,894)	-
Earning per EquityShare (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. 300769E

(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.)
A. CASH FLOW OPERATING ACTIVITIES		
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. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Pre-operative Expenses	-	2,31,52,627
Purchase of Fixed Assets	-	-
	<u>-</u>	<u>2,31,52,627</u>
 C. CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of Borrowings	-	-
	<u>-</u>	<u>-</u>
 Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(12,623)	(17,305)
Opening Cash and cash equivalents	6,681	23,986
Closing Cash and cash equivalents	(5,942)	6,681
Closing Cash and cash equivalents as per Balance Sheet	<u><u>11,363</u></u>	<u><u>6,681</u></u>

Significant Accounting policies
Notes to Financial Statements

1.1 to 1.6
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 31st 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.)
Note -2:		
Share Capital		
Authorised		
1,000,000 Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
Issued, Subscribed & Paid up		
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

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

9,35,819	9,93,319
9,35,819	9,93,319

Note -6 :

Cash & cash equivalents

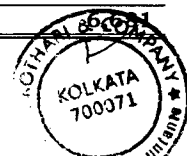
Balance with Scheduled Banks

-In Current Accounts

Cash on Hand

(As Certified by the Management)

4,381	6,681
6,982	-
11,363	

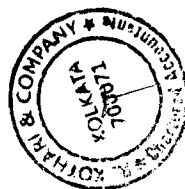


East Kolkata Infrastructure Development Pvt. Ltd.
Notes to Financial Statements for the year ended 31st March, 2017

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	-

[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.)
Note -8:		
Other Expenses		
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
	64,894	2,84,408

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 31st 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 st March, 2017 (Rs.)	As on 31 st 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

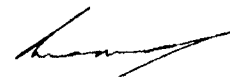


Place: Kolkata

Date: 24.03.2017

For and on behalf of the Board


Sunil Jha
Director
00085667


Rahul Varma
Director
00085064