

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.

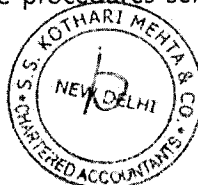
Auditor's Responsibility

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

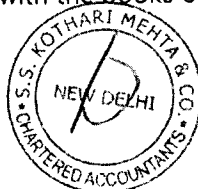
- i. *Trade receivables amounting to Rs. 511.68 lacs are outstanding for more than 1 year, pending for recovery and project in progress amounting to Rs. 24.53 lacs outstanding for more than 1 year pending for billing. Accordingly, we are unable to comment on the recovery of the same.*
- ii. *Company 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.

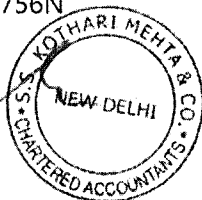


- (d) In our opinion, the balance sheet, the statement of profit and loss and the cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) The matter described in the Basis for Qualified Opinion paragraph above, 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)

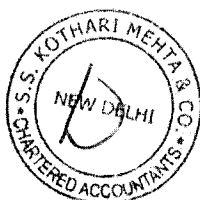
- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the company during the year and no material discrepancies were noticed on such verification. In our opinion, the 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.

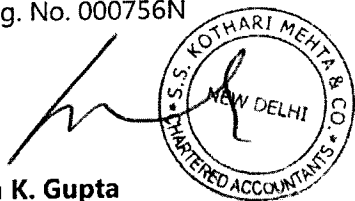


- (xv) According to the information and explanation provided to us, the company has not entered into any non-cash transactions with the directors or persons connected with them.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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.

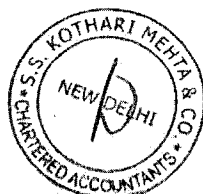
Management's Responsibility for Internal Financial Controls

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.)
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	50,000,000	50,000,000
(b) Reserve and Surplus	3	(10,806,088)	(2,511,197)
(2) Non-Current Liabilities			
(a) Long Term Provisions	4	331,916	295,088
(2) Current Liabilities			
(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
Total		87,075,366	90,996,632
II. Assets			
(1) Non-Current Assets			
(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
(2) Current Assets			
(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
Total		87,075,366	90,996,632

The Accompanying Notes are Integral part of Financial Statements

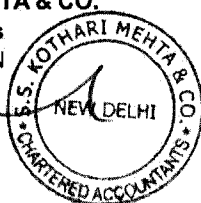
As per our report of even date attached.

For S.S.KOTHARI MEHTA & CO.

Chartered Accountants

Firm Regn. No. 000756N

Yogesh Kumar Gupta
Partner
Membership No.093214



Place : New Delhi
Date : 22-05-2017

For & on Behalf of the Board

Sujit Kanoria
(Director)
DIN-01175425

Kamta Nath Pandey
(Director)
DIN-00694714

Duraiswamy 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.)
INCOME			
I. Revenue from Operations	17	-	-
II. Other Income	18	-	-
III. Total Revenue(I+II)		100,290	68,047
EXPENSES			
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
IV. Total Expenses		8,405,269	5,824,788
V. Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)	(8,304,979)	(5,756,741)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax	(V - VI)	(8,304,979)	(5,756,741)
VIII. Extraordinary Items		-	-
IX. Profit before tax	(VII - VIII)	(8,304,979)	(5,756,741)
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		(10,088)	49,614
XII. Profit/(Loss) from Discontinuing operation	(IX - X)	(8,294,891)	(5,806,355)
XIII. Tax expense of discounting operation		-	-
XIV. Profit/(Loss) from Discontinuing operations	(XII-XIII)	-	-
XV. Profit/(Loss) for the year	(XI-XIV)	(8,294,891)	(5,806,355)
XVI. Earning per EquityShare (Face value of Rs. 10 each)			
(1) Basic		(1.659)	(1.161)
(2) Diluted		(1.659)	(1.161)

The Accompanying Notes are integral part of Financial Statements

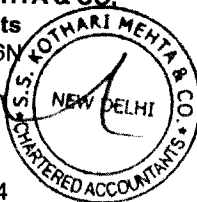
As per our report of even date attached.

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)
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Kamta Nath Pandey
(Director)
DIN-00694714

Duraiswamy Guhan
(Director)
DIN-06757569

Yogesh Kumar Upadhyay
(Company Secretary)
Membership No. F6750

Place : New Delhi
Date : 22-05-2017

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.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	(8,304,979)	(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
Operating Profit before working capital changes	(6,742,195)	(2,170,045)
(Increase) / Decrease in Trade Receivables	5,662,536	667,173
(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)
Cash generated from operations	(1,235,250)	(1,721,083)
Income Taxes paid (including dividend tax)	442,518	48,207
NET CASH FROM OPERATING ACTIVITIES	(792,732)	(1,672,876)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	-
Change in Fixed Deposits	-	-
NET CASH USED IN INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
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)
D. NET CASH USED IN FINANCING ACTIVITIES	977,210	1,297,921
	184,478	(374,955)
Change in Cash and Cash Equivalents	184,478	(374,955)
Opening Balance of Cash and Cash equivalents	198,658	573,613
Closing Balance of Cash and Cash equivalents	383,136	198,658
Components of Cash & Cash Equivalents		
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)

(5,806,355)

(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

26,897,513

28,148,804

26,897,513

(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

13,936,976

10,727,285

Expenses payable

310,452

373,274

Duties & Taxes payable

1,916,484

1,871,352

Other payables

16,163,912

13,079,439

Note 8 :Short Term Provisions

-Provision for Gratuity*

11,358

10,006

-Provision for Leave Encashment*

4,632

4,951

* Refer Note 28

15,990

14,957



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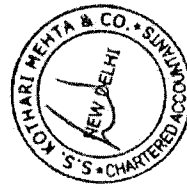
SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

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
Total	1,156,957	-	-	1,156,957	2,390	-	-	1,119,167
Previous year	1,156,957	-	-	1,156,957	5,267	-	-	1,116,777
								37,790
								40,180



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SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

Note 10 : Non-Current Investments (Fully paid unless otherwise specified)

Long Term, Trade

-Unquoted

- In Subsidiary Company

- In Equity Shares

Shristi Udaipur Hotels & Resorts (P) Ltd. of Rs. 10/-each

Total

	Nos.	As At March 31, 2017 Amount (Rs.)	Nos.	As At March 31, 2016 Amount (Rs.)
	3,000,000	30,000,000	3,000,000	30,000,000
		<u>30,000,000</u>		<u>30,000,000</u>

Note 11: Long Term Loans and Advances

Income Tax Advances, Tax Deducted at Source*

*Net of Provisions for Income Tax Rs.NIL (Previous year Rs. NIL)

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

1,496,064	1,938,582
<u>151,459</u>	<u>135,919</u>
<u>1,647,523</u>	<u>2,074,501</u>

Note 12: Other Non-Current Assets

Interest Accrued but not due

64,713	47,103
<u>64,713</u>	<u>47,103</u>

Note 13: Trade Receivables

Unsecured and Considered good

-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>-</u>
51,167,968	54,924,736

Note 14: Cash and Bank Balances

A- Cash & Cash Equivalent

Cash-in-hand

Balances with Banks

- in Current Accounts

B- Other Bank Balances

- in Fixed Deposits*

*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)

23,710	46,410
359,426	152,248
<u>200,000</u>	<u>200,000</u>
583,136	398,658

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)

Note 15: Short Term Loans and Advances

Unsecured and Considered good

Earnest Money Deposit

Advances to staff and other

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

99,911	199,911
153,827	-
<u>757,718</u>	<u>758,850</u>
<u>1,011,456</u>	<u>958,761</u>

Note 16: Other Current Assets

Project in Progress*

2,453,060	2,453,060
<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

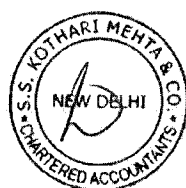
 Interest -to Holding company
 Other Interest
 Bank Charges




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>

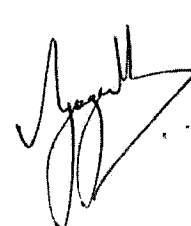
Note 21: Other Expense

 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 20th, 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



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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.

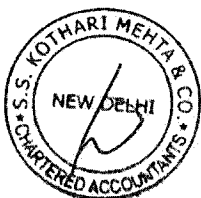
c. Assets individually costing below Rs.5,000/- are fully depreciated during the year they are put to use.

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.



Signature of S. S. Kothari Mehta & Co. (left)
Signature of S. S. Kothari Mehta & Co. (middle)
Signature of S. S. Kothari Mehta & Co. (right)

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 LIABILITES 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 31st 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



For Chairman

For Director

For Director

SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

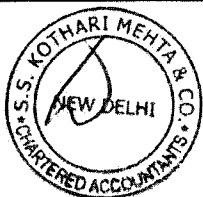
- Expected return on plan assets	--	--	--	--
- Curtailment cost/(credit)	--	--	--	--
- Settlement cost/(credit)	--	--	--	--
- Past Service Cost	--	--	--	--
- Actuarial (gain)/loss on obligation	(12,228)	(58,252)	(3,580)	(30,640)
Total	(2,880)	(46,481)	40,741	11,105

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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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:



Signature of S.S. Kothari Mehta & Co.

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

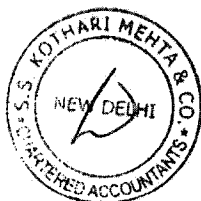
Finetune Engineering Services Private Limited

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/-
		Closing Balance		
		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
		Closing Balance		
		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/-
		Closing Balance		
		Salary Payable	1,57,060/-	1,51,100/-



Sgt. Pandey

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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
NET DEFERRED TAX ASSETS/(LIABILITY) (B-A)	1,09,720	99,632

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