# INDEPENDENT AUDITOR'S REPORT

To,
The Members of
**RADHE DEVELOPERS (INDIA) LIMITED**
Ahmedabad

## Report on the Financial Statements

We have audited the accompanying financial statement of **RADHE DEVELOPERS (INDIA) LIMITED,** which comprise the Balance sheet as at **March 31$^{st}$, 2015**, and the statement of Profit & Loss and cash flow for the year 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 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, 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the asset of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements are free from material misstatement.

An audit involves performing procedures to obtain audit evidences 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; auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

**Opinion**

In our opinion and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give 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, 2015;

b) In the case of the profit and loss account, of the **Loss** for the year ended on that date; and

c) In the case of the cash flow Statement, of the cash for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) order, 2015 issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

2. As required by the section 143(3) of the Act, we report that:

a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit:

b) In our opinion proper book of accounts as required by law have been kept by the company as far as appears from our examination of those books.

c) The balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2014.

e) On the basis of written representation from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub section (2) of section 164 of the Act.

f) With respect to other matters included in the Auditor's report and to our best of our information and according to the explanation given to us:

i) The company does not have any pending litigation which would impact its financial position

ii) The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses

iii) There are been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**Sd/-**
**For, R. CHOUDHARY & ASSOCIATES**
Chartered Accountants
Firm Regn. No. 101928W
**RAMCHANDRA CHOUDHARY**

Place: Ahmedabad
Date: 30-05-2015

Partner
Membership No. 43979

# ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 3 of our Report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we reported that:

1. In respect of its fixed assets:

   **a)** The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   **b)** Major part of the fixed asset as explained to us, has been physically verified during the year by the management. No material discrepancy was noticed between book records and physical inventory.

2. In respect of its inventory:

   **a)** As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.

   **b)** In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.

   **c)** In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventories and no material discrepancies were found on physical verification.

3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013

   **a)** The Company has granted loans to one party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') aggregate of ` 0.80 Lacs

   **b)** The company has taken interest free loans from related party during the year under review, the year-end balances of such loans taken aggregate of ' 36.00 Lacs and the maximum amount involved during the year was ' 225.60 Lacs

   **c)** The terms of repayments of principal amounts and interest thereon in respect of such loans are not stipulated hence we are not in a position to comment on the same.

   **d)** There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act

4. In our opinion and explanation given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit we have neither come across nor we have been informed of any instances of major weakness in the aforesaid internal control procedures and continuing failure on the part of management to take course to take corrective course of action in this regards.

5. The company has not accepted deposits from public within the meaning of section 173 to 176 of the Act and the Rules framed hereunder and other relevant provision have been complied with during the year under audit.

6. The company is not required to maintain the cost records as prescribed by the central government under sub section (1) of the section 148 of the Act.

7. In respect of Statutory Dues:

   **a)** According to the books of accounts examined by us and also based on representation received from the management, the company has been regular in depositing undisputed due to the extent as applicable to the company.

   **b)** According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears as at 31$^{st}$ March, 2015 for a period of more than six months from the date they become payable.

   **c)** According to the information and explanation given to us, there is no amount in investor education and protection fund required to be transferred in accordance with the relevant provisions of the Companies Act, 1956 and Rules made there under has been transferred to such fund within time.

8. The company has accumulated losses at the end of the financial year. The company has incurred cash losses during the immediately preceding financial year.

9. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the payment of dues to banks, financial institutions.

10. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

11. In our opinion and according to the information and explanation given to us the term loans have been applied for the purpose for which they were obtained.

12. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company was noticed or reported during the year.

**Sd/-**
**For, R. CHOUDHARY & ASSOCIATES**
**Chartered Accountants**
**RAMCHANDRA CHOUDHARY**
**Partner**
**Membership No. 43979**
Firm Reg. No. 101928W

Place: Ahmedabad
Date:30.05.2015