Sanghavi & Co.

chartered accountants

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INDEPENDENT AUDITORS' REPORT

To

The Members of

NALANDA HOUSING DEVELOPMENT PVT. LTD.

Report on Financial Statements

We have audited the accompanying financial statements of **NALANDA HOUSING DEVELOPMENT PVT. LTD.** ("the Company"), which comprise the Balance Sheet as at **31st March 2018** and the statement of Profit & Loss 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 Director 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including 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 assets 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 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 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 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:

a) In the case of the Balance Sheet, of the state of affairs of the Company as **at 31st March 2018**;
b) In the case of the Profit and Loss Statement, of the **LOSS** for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 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 appears from our examination of those books;
c) The Balance Sheet and Statement of Profit and Loss 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 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Act.
f) The company being a specific private company vide notification dated 13th June, 2017, hence reporting u/s 143(3)(i) in respect of internal financial control is not applicable.

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. There are no pending litigations which may adversely affect its financial position in its financial statements.

ii. The Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts pending which are required to be transferred, to the Investor Education and Protection Fund by the Company.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

G.R.SANGHAVI
Partner
Membership No. 044264

Place :- Rajkot
Date :- 30.08.2018

NALANDA HOUSING DEVELOPMENT PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH 2018

(Amounts in Indian ₹)

Particulars	Note No.	31st March 2018		31st March 2017	
EQUITY AND LIABILITIES ::					
Shareholders' Funds					
Share Capital	2	2,415,000		2,415,000	
Reserves and Surplus	3	(11,682,465)	(9,267,465)	(6,162,033)	(3,747,033)
Share Application Money Pending Allotment			-		-
Non-Current Liabilities					
Long-term Borrowings	4	35,597,264		15,105,000	
Other Long Term Liabilities		-		-	
Long-term Provisions		-	35,597,264	-	15,105,000
Current Liabilities					
Short-term Borrowings	5	1,357,637		1,037,428	
Trade Payables	6	360,206		332,706	
Other Current Liabilities	7	4,813,675		-	
Short-term Provisions		-	6,531,518	-	1,370,134
Total...			32,861,317		12,728,101
ASSETS ::					
Non-Current Assets					
Fixed Assets	8				
Tangible Assets		32,162,402		11,838,175	
Intangible Assets		-		-	
Capital Work-in-Progress					
		32,162,402		11,838,175	
Non-current Investments		-		-	
Long-term Loans and Advances		-		-	
Other Non-current Assets		-	32,162,402	-	11,838,175
Current Assets					
Current Investments		-		-	
Inventories		-		-	
Trade Receivables		-		-	
Cash and Bank Balances	9	676,851		867,862	
Short-term Loans and Advances	10	22,064		22,064	
Other Current Assets		-	698,915	-	889,926
Total...			32,861,317		12,728,101

The accompanying notes 1 to 22 are an integral part of these financial statements

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

G R SANGHAVI
Partner
Membership No. 044264

Place:- Rajkot
Date:- 30.08.2018

For and on behalf of the Board of Directors

Himanshusinhji Jadeja
Director
DIN - 01733058

Jitendra Pandya
Director
DIN - 01369569

Place:- Rajkot
Date:- 30.08.2018

NALANDA HOUSING DEVELOPMENT PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

(Amounts in Indian ₹)

Particulars	Note No.		2017-18		2016-17
REVENUE :					
Revenue from Operations	11		1,040,000		985,000
Other Income	12		-		2,857,299
Total Revenue			1,040,000		3,842,299
EXPENSES :					
Cost of Materials Consumed			-		-
Purchases of Stock-in-Trade			-		-
Changes in Inventories			-		-
Employee Benefits Expenses	13		108,000		96,000
Finance Costs	14		454,274		-
Depreciation and Amortization			5,255,151		845,534
Other Expenses	15		191,797		90,031
Total Expenses			6,009,222		1,031,565
Profit before exceptional and extraordinary items and tax			(4,969,222)		2,810,734
Exceptional Items			-		-
Extraordinary Items			-		-
Profit Before Tax			(4,969,222)		2,810,734
Tax Expenses					
Current tax		-		-	
Earlier Years' Tax		551,210		-	
Deferred Tax		-	551,210	-	-
Net Profit for the year			(5,520,432)		2,810,734
Face Value per Equity Share			10.00		10.00
Earnings per Equity Share					
Basic / Diluted			(22.86)		11.64

The accompanying notes 1 to 22 are an integral part of these financial statements

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

G R SANGHAVI
Partner
Membership No. 044264

Place:- Rajkot
Date:- 30.08.2018

For and on behalf of the Board of Directors

Himanshusinhji Jadeja
Director
DIN - 01733058

Jitendra Pandya
Director
DIN - 01369569

Place:- Rajkot
Date:- 30.08.2018

NOTE No: - 1

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION:-

The Financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and are based on the historical cost convention on accrual basis.

The Company is a Small Company within the meaning of Section – 2(85) of the Companies Act, 2013. Accordingly, the financial statement has been prepared as per the relevant provisions of the Companies Act, 2013.

USE OF ESTIMATES:-

The preparation of financial statements in conformity with GAAP requires the management to make judgments, estimates and assumptions that effect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue 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 period.

REVENUE RECOGNITION:

(a) The Company recognizes revenue on accrual basis. However where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

(b) Dividend income recognized when right to receive dividend is established by the reporting date.

FIXED ASSETS & DEPRECIATION:-

Fixed assets are stated at cost less depreciation. Depreciation is charged on written down value method over useful lives of the assets as prescribed under Schedule II of the companies Act, 2013. Depreciation and amortization methods, useful lives and residual value are reviewed periodically, including at each financial year. No depreciation is charged for the current year if written down value of asset is less than 5% of the Gross Value. In case of assets whose useful lives have not expired, the carrying value of the asset is depreciated over remaining useful lives.

SANGHAVI & COMPANY Chartered Accountants

EMPLOYEE'S BENEFITS:-

(a) As informed to us no employee has completed statutory period, provident fund & gratuity have not been paid or provided.

DEFFERED TAX:-

Deferred Tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and only if, are capable of reversal in one or more subsequent periods.

IMPAIRMENT OF ASSET:-

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount the reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet Date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

PROVISION AND CONTINGENCIES:-

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Note No. 2

2.1 Share Capital:

	31st March 2018 ₹	31st March 2017 ₹
Authorised		
10000000 (1000000) Equity Shares of ₹ 10 each	10,000,000	10,000,000
	10,000,000	10,000,000
Issued, Subscribed and Paid up		
241500 (241500) Equity Shares of ₹ 10 each	2,415,000	2,415,000
	2,415,000	2,415,000

a. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years: Nil

2.2 Share Capital Reconciliation:

Particulars	Equity Shares	
	No. of shares	₹
Shares outstanding at the beginning of the year	241,500	2,415,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	241,500	2,415,000

2.3 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31st March 2018		31st March 2017	
	No. of shares	% of holding	No. of shares	% of holding
Shri Himanshusinhji Jadeja	159,590	66.00	159,590	66.00
Smt. Kumudkumari Jadeja	43,900	18.18	43,900	18.18
Shri Jyotindrasinhji Jadeja	38,000	15.73	38,000	15.73

Note No. 3
Reserves and Surplus

Particulars	31st March 2018 ₹	31st March 2017 ₹
Surplus		
Balance at the beginning of the year	(6,162,033)	(8,972,767)
Net Profit for the year	(5,520,432)	2,810,734
Balance at the end of the year	(11,682,465)	(6,162,033)
	(11,682,465)	(6,162,033)

Note No. 4
Long Term Borrowings

Particulars	31st March 2018 ₹	31st March 2017 ₹
Unsecured Borrowings		
From Directors	27,255,000	15,105,000
Secured Borrowings		
From HDFC Bank Car Loan	8,342,264	0
(For current Maturity refer Note - 7)		
(Secured against Car)		
	35,597,264	15,105,000

Note No. 5
Short Term Borrowings

Particulars	31st March 2018 ₹	31st March 2017 ₹
Unsecured Borrowings		
From Directors	1,257,637	937,428
From company in which director interested	100,000	100,000
	1,357,637	1,037,428

Note No. 6
Trade payables

Particulars	31st March 2018 ₹	31st March 2017 ₹
Trade payable	360,206	332,706
	360,206	332,706

Note No. 7
Other Current Liabilities

Particulars	31st March 2018 ₹	31st March 2017 ₹
Current maturity of Loan Term Borrowings (Refer Note No - 4)	4,773,675	0
Advance against sale	40,000	0
	4,813,675	0

NALANDA HOUSING DEVELOPMENT PRIVATE LIMITED

NOTE NO. 8 FIXED ASSETS

Particulars	Useful Lives (Years)	Gross Block				Accumulated Depreciation				Net Block	
		As at 1st April 2017	Additions	Deductions	As at 31st March 2018	As at 1st April 2017	Depreciation for the year	On deductions	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Owned Tangible Assets											
Vehicles (Car)	8	3,853,671	25,579,378	0	29,433,049	581,503	5,016,118	0	5,597,621	23,835,428	3,272,168
Land (Vacant Plot)	0	6,041,310	0	0	6,041,310	0	0	0	0	6,041,310	6,041,310
Building (Party Plot)	30	4,200,636	0	0	4,200,636	1,675,939	239,033	0	1,914,972	2,285,664	2,524,697
TOTAL...		14,095,617	25,579,378	0	39,674,995	2,257,442	5,255,151	0	7,512,593	32,162,402	11,838,175

Note No. 9
Cash and Bank Balances

Particulars	31st March 2018 ₹	31st March 2017 ₹
I. Cash and Cash Equivalents		
a. Balances with Banks:		
Current accounts	668,506	714,560
Short term deposits	0	0
Cheques on hand	0	0
	668,506	714,560
b. Cash on Hand	8,345	153,302
	676,851	867,862
II. Other Bank Balances		
Terms deposits with more than 12 months maturity	0	0
Other terms deposits	0	0
	0	0
	676,851	867,862

Note No. 10
Short Term Loans Advances

Particulars	31st March 2018 ₹	31st March 2017 ₹
Advance to Director	22,064	22,064
	22,064	22,064

Note No. 11
Revenue From Operations

Particulars	31st March 2018 ₹	31st March 2017 ₹
Rent Income	1,040,000	985,000
	1,040,000	985,000

Note No. 12
Other Income

Particulars	31st March 2018 ₹	31st March 2017 ₹
Profit on Sale of Assets	0	2,857,299
	0	2,857,299

Note No. 13
Employee Benefit

Particulars	31st March 2018 ₹	31st March 2017 ₹
Salary & Wages	108,000	96,000
	108,000	96,000

Note No. 14
Finance Cost

Particulars	31st March 2018 ₹	31st March 2017 ₹
Interest on Bank Loan	454,274	0
	454,274	0

Note No. 15
Other Expenses

Particulars	31st March 2018 ₹	31st March 2017 ₹
Bank Charges	469	459
Payment to Auditors	27,500	27,500
Insurance Exp	0	62,072
Bank loan expense	38,918	0
Electricity expense	87,932	0
Kasar	21	0
Vehicle Exp	36,957	0
	191,797	90,031

16. Transactions with related parties:

i) Name of Related parties:

Particulars	Relation
Key Management Personnel	
Shri Himanshusinhji Jadeja	Director
Shri Jitendra Pandya	Director
Octagon Developers Pvt Ltd	A company in which directors are interested.

ii) Transaction with related party:

Particulars	FY 17-18	
	Transaction During Year	Yearend Balance
Unsecured Borrowings :		
Shri Himanshusinhji Jadeja		
Accepted during the year	1,30,01,210	2,85,12,637
Repayment during the year	5,31,001	
Octagon Developers Pvt Ltd		
Accepted during the year	--	1,00,000
Repayment during the year	--	
Loan and Advances given :		
Shri Jitendra Pandya		
Advances	--	22064

16A. Based on the principle of prudence, deferred tax asset on carried forward losses has not been provided.

17. Net worth of the company is completely eroded as a result of accumulated losses. The management is of opinion that company's operation activity is expected to be good & the concept of going concern is sustainable. The management is planning to wipe out negative net worth of the company. Accordingly, No adjustment are required to be made in carrying value of assets & liabilities.

18. Balances with sundry creditors, sundry debtors and for loans and advances are subject to confirmations from the respective parties. In absence of such confirmations, the balances as per books are relied upon.

19. Building ₹42,00,636/- as shown under Note - 8 is the asset for which the company has development right.

20. Payment to Auditors:-

Particulars	2017-18	2016-17
Against audit fees	15,000	15,000
Against Income Tax Matter	2,500	2,500
Against Company Law Matter	10,000	10,000
TOTAL>>	27,500	27,500

21. During the year the company has purchased car amounting to Rs. 25579378 which are not registered in the name of company. However as per the opinion of the management, all vehicles are used in the business and the company is considered to be a beneficial owner, hence there is no violation of Section- 187 of Companies Act, 2013. During the year company borrowed loan of Rs.14961082 which is secured against vehicle for which filing of registration of charge is pending.

22. Previous Year's figures are regrouped / rearranged wherever necessary so as to facilitate comparison.

SIGNATURES TO NOTES 1 TO 22

As per report of our even date

For, SANGHAVI & CO.
Chartered Accountants,
FRN: 109099W

G.R.SANGHAVI
Partner
Meb No. 044264

Place: - Rajkot
Date: - 30.08.2018

For and on behalf of Board of Directors of
NALANDA HOUSING DEVELOPMENT PVT LTD.

Shri Himanshusinhji Jadeja
(Director)
DIN – 01733058

Shri Jitendra Pandya
(Director)
DIN - 01369569

Place: Rajkot
Date: - 30.08.2018