

B. J. SHAH & BROS.

CHARTERED ACCOUNTANTS

'A' Block, 5th Floor, A-1 & A-2, Safal Profitaire, Nr. Hotel Ramada, Opp. Prahlad Nagar Garden,
Prahlad Nagar, Ahmedabad-15 Tele: (079) 40064694, 40064695, 40061203 ♦E-mail: bjshahca@gmail.com

INDEPENDENT AUDITORS' REPORT

To

The Partners of Shree Siddhi Infrabuildcon LLP

We have audited the accompanying financial statements of **Shree Siddhi Infrabuildcon LLP**, ("the LLP"), which comprise the Balance Sheet as at 31st March, 2016 and the Profit and Loss Account for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the Limited Liability Partnership Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the LLP's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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.



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Opinion

a) We report the following observations / comments / discrepancies / inconsistencies;

1. In the absence of proper supporting documents including entries related to capital as well as revenue expenditure, assets and liabilities, entries passed in the books of accounts authorised by management is accepted by us as correct and financial statements are prepared subject to this limitation.
2. Physical verification of assets as well as inventory is not carried out by the management or any third party and hence value recorded in the books is accepted as correct.
3. The Balance of Banks, Unsecured Loans, Loans & Advances and of parties having debit as well as credit balances are subject to their confirmation, reconciliation and necessary accounting, if any.
4. Accounting for employee benefits consisting of gratuity, leave encashment and other retirement benefits are accounted on cash basis which is not in consonance with the requirements of Accounting Standard -15 issued by ICAI, as the valuation certificate of actuary is not obtained, we are unable to quantify the impact of this non compliance on profit or loss and balance sheet of the enterprise.
5. Accounting for deferred tax is not made as per AS-22 issued by ICAI.

b) Subject to above, -

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of **Shree Siddhi Infrabuildcon LLP** for the year ended March 31, 2016 are prepared, in all material respects, in accordance with Limited Liability Partnership Act.

Place: Ahmedabad
Date: 28/09/2016



For, B. J. Shah & Bros.
Chartered Accountants
Firm Reg. No. 109501W

Tushar Shah
Partner
Mem. No. 044689

SHREE SIDDHI INFRABUILCON LLP					
BALANCE SHEET AS AT 31/03/2016					
PARTICULARS	SCHEDULES	AS AT 31-03-2016		AS AT 31-03-2015	
<u>CONTRIBUTION AND LIABILITIES :</u>					
I. PARTNERS' FUNDS					
(a) Partner's Fixed Capital	1	100,000		100,000	
(b) Partner's Current Account	2	318,168,531	318,268,531	145,127,890	145,227,890
II. LOAN FUNDS					
(a) Secured Loans	3	2,339,933		2,843,111	
(b) Unsecured Loans	4	131,530,889	133,870,822	109,875,992	112,719,103
III CURRENT LIABILITIES & PROVISIONS					
(a) Sundry Creditors	5	685,930,346		25,221,492	
(b) Other Liabilities	6	3,462,323,358		4,299,612,352	
(c) Provisions	7	49,600,000	4,197,853,704	88,867,105	4,413,700,949
TOTAL			4,649,993,057		4,671,647,942
<u>ASSETS :</u>					
I. FIXED ASSETS					
(a) Gross Fixed Assets	8	7,890,171		7,890,171	
Less: Depreciation		3,687,602		2,945,972	
Net Assets			4,202,569		4,944,199
II. INVESTMENTS	9		450,000,000		-
III. LOANS & ADVANCES	10		2,364,357,125		2,816,381,155
IV. CURRENT ASSETS					
(a) Inventories	11	1,786,740,743		1,811,875,264	
(b) Cash & Cash Equivalents	12	15,640,348		16,742,455	
(c) Other Current Assets	13	29,052,273		21,704,869	
(d)Deferred Tax Asset		0	1,831,433,363	0	1,850,322,588
TOTAL			4,649,993,057		4,671,647,942
			0		0
Significant accounting policies	19				

This is the Balance Sheet referred to in our report of even date.

The accompanying notes are an integral part of the financial statements.

For B. J. Shah & Bros.
Chartered Accountants
Firm Reg. No.: 109501W

(Tushar Shah)
(Partner)
(Mem. No. : 044689)



Place: Ahmedabad
Date: 28/09/2016

For Shree Siddhi Infrabuildcon LLP

(Signature)
Partner

Partner

SHREE SIDDHI INFRABUILDCON LLP
PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2016

	PARTICULARS	SCHEDULES	31/03/2016	31/03/2015
A	INCOME :			
	Revenue from Operation	14	1,106,407,785	201,089,454
	Other Income	15	12,135,370	5,909,106
	Total		1,118,543,155	206,998,560
B	EXPENDITURE :			
	Cost of Goods Sold	16	763,656,147	38,135,877
	Finance Costs	17	17,559,174	2,378,430
	Depreciation and Amortization	8	741,630	536,369
	Other Expenses	18	23,945,563	58,675,912
	Remuneration to Partners		180,000,000	0
	Total		985,902,514	99,726,589
C	PROFIT / (LOSS) BEFORE TAX		132,640,641	107,271,971
D	TAX EXPENSE			
	-Tax Adj. for Earlier Yrs.		0	-37,196
	- Current Tax		49,600,000	36,500,000
	- Deferred tax adjustment		0	196,235
E	NET PROFIT / (LOSS) TRANSFERRED TO PARTNERS		83,040,641	70,612,932
	Significant accounting policies	19		

This is the Profit and Loss Account referred to in our report of even date.
The accompanying notes are an integral part of the financial statements.

For B. J. Shah & Bros.
Chartered Accountants
Firm Reg. No.: 109501W

(Tushar Shah)
(Partner)
(Mem. No. : 044689)



For Shree Siddhi Infrabuildcon LLP

(Signature) Partner *(Signature)* Partner

Place: Ahmedabad
Date: 28/09/2016

SHREE SIDDHI INFRABUILCON LLP
F.Y. 2015-16

SCHEDULE "1"

PARTNERS' FIXED CAPITAL

SR NO.	NAME OF PARTNERS	Share in Profit/Loss %	Opening Balance as at 1/04/2015 (Rs.)	Addition/Deduction During the Period	Closing Balance as at 31/03/2016 (Rs.)
1	Mukesh K Patel	49%	50,000	(1000)	49,000
2	Kalpesh A Patel	30%	30,000	-	30,000
3	Kalpeshkumar B Patel	20%	20,000	-	20,000
4	Gopi Kishan Malani	1%	-	1,000	1,000
	Total	100%	100,000	-	100,000

SCHEDULE "2"

PARTNERS' CURRENT ACCOUNT

SR No	Particulars	Mukesh Patel	Kalpesh A Patel	Kalpesh B Patel	Gopikishan Malani	Total
		49.00%	30.00%	20.00%	1.00%	100.00%
1	Opening Balance	72,563,945	43,538,367	29,025,578	-	145,127,890
2	Add:- Addition during the year	-	-	-	180,000,000	180,000,000
3	Add:- Profit for the year	40,689,914	24,912,192	16,608,128	830,406	83,040,641
4	Less:- Withdrawl during the year	-	-	-	90,000,000	90,000,000
5	Closing Balance	113,253,859	68,450,559	45,633,706	90,830,406	318,168,531



SHREE SIDDHI INFRABUILCON LLP

SCHEDULES FORMING PARTS OF FINANCIAL STATEMENTS FOR

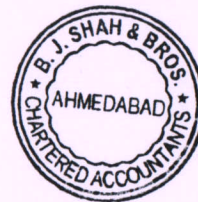
Particulars	3/31/2016	3/31/2015
SCHEDULE: 3		
SECURED LOAN		
HDFC Bank Loan A/c -(Secured against Volvo Car)	2,339,933	2,843,111
TOTAL	2,339,933	2,843,111
SCHEDULE: 4		
UNSECURED LOAN		
Loan from Related Parties	131,530,889	109,875,992
TOTAL	131,530,889	109,875,992
SCHEDULE: 5		
SUNDRY CREDITORS		
Sundry Creditors For Expenses	685,905,146	24,883,440
Sundry Creditors For Purchase	25,200	290,552
Sundry Creditors For Salary	0	47,500
TOTAL	685,930,346	25,221,492
SCHEDULE: 6		
OTHER LIABILITIES		
Duties & Taxes	8,212,941	17,644,116
Security Deposits	914,351,383	1,589,395,614
Advance from Customers	2,539,759,034	2,692,572,623
TOTAL	3,462,323,358	4,299,612,352
SCHEDULE: 7		
PROVISIONS		
Provision for Income tax F.Y. 2014-15	0	35,797,105
Provision for Income Tax	49,600,000	53,070,000
TOTAL	49,600,000	88,867,105
SCHEDULE: 9		
CURRENT INVESTMENTS		
Next Orbit Ventures Fund	450,000,000	0
TOTAL	450,000,000	0



SHREE SIDDHI INFRABUILCON LLP

SCHEDULES FORMING PARTS OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2016

PARTICULARS	3/31/2016	3/31/2015
SCHEDULE: 10		
LOANS & ADVANCES		
Advances to Related Parties	2,362,109,714	2,814,133,744
Loan to other Non Corporates	2,247,411	2,247,411
TOTAL	2,364,357,125	2,816,381,155
SCHEDULE: 11		
INVENTORIES		
Closing Inventory of Land & Development Cost	1,784,677,503	1,804,437,975
Closing stock of Shares & Securites	2,063,240	7,437,289
TOTAL	1,786,740,743	1,811,875,264
SCHEDULE: 12		
CASH AND CASH EQUIVALENTS		
Cash on hand	1,366,781	928,047
<u>Balances with Banks</u>		
- In Current Accounts	13,413,632	10,393,856
- In Escrow Accounts	859,935	5,420,552
TOTAL	15,640,348	16,742,455
SCHEDULE: 13		
OTHER CURRENT ASSETS		
Gobal Indian School Edu. SERPL- Rent Adavance	42,723	121,623
Gobal Indian School Edu. SERPL	0	390,634
Advance Payment to Creditors	16,614,983	17,077,739
Balance with Tax Authorities :		
TDS receivable	1,402,853	661,750
Service tax receivable	1,046,051	0
VAT Deposit	25,000	25,000
Service Tax Deferred Input	777,397	777,397
Service Tax Input Credit	9,081,740	0
Service Tax Input Credit - RCM	61,526	2,650,726
TOTAL	29,052,273	21,704,869



SHREE SIDDHI INFRABUILCON LLP

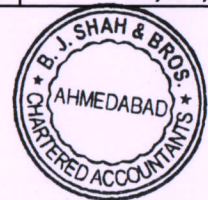
Schedules to Profit & Loss A/c

Amt. in (Rs.)

PARTICULARS	FOR THE YEAR ENDED 31/03/2016	FOR THE YEAR ENDED 31/03/2015
SCHEDULES : 14		
REVENUE FROM OPERATION		
Income from Operation	1,105,333,679	199,514,037
Booking cancellation Income	265,617	1,575,417
Interest Income (Member)	658,939	0
Transfer Fee (Member)	149,550	0
Total	1,106,407,785	201,089,454
SCHEDULES : 15		
OTHER INCOME		
Dividend of Mutual Fund	6,630,329	227,691
FDR Interest	0	171,662
Interest on IT refund	0	1,198
Rent Income	5,504,496	5,504,497
Kasar	545	4,058
Total	12,135,370	5,909,106
SCHEDULES : 16		
COST OF GOODS SOLD		
(A) Op. Bal. of Land & Development Cost	1,804,437,975	1,822,970,184
Add : Cost Incurred During the Year		
Commission & Brokreaage	50,250,000	0
Securtiy Expense	720,000	1,950,000
Labour Expenses	132,170	0
Land Revenue Expenses	528,678	48,837
Legal Exp	0	1,370,000
Machinary Rent Exps	0	49,270
N A Expense	0	929,322
	1,856,068,823	1,827,317,613
Less : Transferred to Closing stock	1,784,677,503	1,804,437,975
(A) Cost of Goods Sold	71,391,320	22,879,638
(B) Land Related Exp.		
(a) Samadhan Exps.	663,500,000	0
(b) Commission & Brokrag	30,150,000	0
(B) Total (B)	693,650,000	-
(C) Op. Bal. of Share & Securities	7,437,289	0
Add: Purchase during the year	0	22,693,529
	7,437,289	22,693,529
Less:- Sales During the year	6,759,222	0
	678,067	22,693,529
Less: Closing Blance	2,063,240	7,437,289
(C) Cost of Shares & Securities	-	15,256,240
Total Cost of Material (A+B+C)	763,656,147	38,135,877



SCHEDULES : 17		
FINANCE COST		
Interest Expense	122	0
Interest on Car Loan	261,821	98,111
Interest on TDS	0	80,402
Interest on Service Tax	267,704	2,199,917
Interest on Income Tax	17,029,527	0
Total	17,559,174	2,378,430
SCHEDULES : 18		
OTHER EXPENSES		
Commission & Brokerage	4,520,018	1,474,622
Internet Expenses	71	12,805
Salary & Wages	1,110,000	1,194,000
Repair and Maintenance	132,955	135,428
Stationery & Printing Charges	0	17,010
Office Expenses	153,700	62,095
Professional & Legal Fees	2,522,550	1,090,747
Travelling Expenses	44,239	21,356
Car Insurance Expenses	178,250	197,688
Fuel Charges	278,665	0
Tea & Refreshment	0	32,045
Miscellaenous expenses	2,500	0
Adm & Marketing Consultancy	840,000	21,000,000
Bank Charges	7,761	7,255
Bonus	92,500	59,000
Building Rent	9,000,000	15,750,000
Donation Exp.	575,000	0
Legal Advocate fees	1,000,000	0
Other Charges on Share Purchase	2,348	7,305
Other Service (DP Charges)	1,770	0
ROC Charges	63,000	0
Prior Period Exps.	21,612	15,500
Sales Promotion	518,571	1,238,097
Security Transaction Tax	6,770	22,660
Service Tax Exps.	39,700	7,300
Swach Bharat Cess	4,880	0
Vat Expenses	2,828,703	16,331,000
Total	23,945,563	58,675,912



SCHEDULE - 19

Notes forming part of Accounts**1 Basis of Preparation of financial statements:**

- i The financial statements have been prepared on accrual basis of accounting as per going concern concept, under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with all material aspects of the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) except as reported otherwise. The accounting policies are consistent with those used in the previous year.
- ii The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

2 Significant Accounting Policies:**a. Revenue Recognition:**

- 1 Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Accordingly the assessee has recognised its revenue on the execution of the Sale Deed subject to fulfilment of following conditions:
 - i the property in the goods (flats) are actually transferred to the ultimate buyer for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods (flats) transferred to a degree usually associated with ownership; and
 - ii No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the flats.
- 2 Revenue from trading in shares and securitoees is recognised on accrual basis which concides with delivery of the same.
- 3 Based on the matching principle of accounting, commission paid to brokers towards booking of flats is charged to Revenue upon execution of Sale Deed.
- 4 Interest revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

b. Fixed Assets:

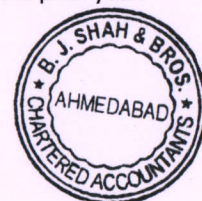
Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any.

c. Depreciation:

Depreciation on fixed assets is provided on Written Down Value Method at the rates and in the manner specified in Income Tax Act, 1961

d. Impairment of Assets:

- i The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indications exist, the assets recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on the average pre-tax borrowing rate of the country where the assets are located, adjusted for risks specific to the asset.
- ii After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.
- iii A previously recognized impairment loss is increased or decreased depending on changes in circumstances. However, an impairment loss is not decreased to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in the prior year.



e. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

f. Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair market value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

g. Inventories:

- i Land is valued at cost.
- ii Work In Progress represents cost incurred in respect of unsold area or cost incurred on projects where the revenue is yet to be recognised.
- iii Inventories not used for construction but lying at site on balance sheet date is valued at lower of cost or net realisation value.
- iv Inventory of shares and securities are valued at cost or net realisable value whichever is lower and the resultant loss if any is charged to revenue account.

h. Taxation:

Tax expense comprises of Current Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Deferred tax adjustment is not recognized in the books of account.

i. Employees Benefits:

i. Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia, Company's contribution paid/payable during the year to Provident Fund and ESIC are recognized in the Profit & Loss Account are recognized in the year in which the employee renders the related service.

ii Long Term Employee Benefits:

Long term employee benefits consisting of Gratuity, Leave encashment and other retirement benefits, if payable, are accounted on cash basis in the year in which they are actually paid.

j. Provisions/Contingencies:

A provision is recognized for a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote. Contingent assets are neither recognized, nor disclosed.

- 3 In the opinion of the partners, the Current Assets, Loans & Advances are approximately of the value as stated in the balance sheet, it realized in the ordinary course of business and the provision for all known liabilities are adequate and not in excess of it is provided for.
- 4 The Balance of Banks, Unsecured Loans, Loans & Advances and of parties having debit as well as credit balances are subject to their reconciliation, confirmation and necessary accounting, if any required.
- 5 The enterprise is following cash basis of accounting for employee benefit consisting of gratuity and leave encashment that is not in consonance with the requirements of accounting standard-15. As the valuation certificate of actuary is not obtained the management is unable to quantify the impact of this non-compliance on profit or loss and balance sheet of the enterprise.



- 6 The enterprise has not accounted deferred tax adjustment in the books of accounts as per requirements of accounting standard-22. However in the opinion of management this non compliance has no material impact on profit or loss and balance sheet of the enterprise.
- 7 The enterprise has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.
- 8 In the meeting of the partners of the LLP it is resolved that the LLP should agree and accept the proposal of out of court settlement in case of disputed matter related to land which part and parcel of development agreement entered with Godrej Properties Ltd. (GPL) in order to protect the larger interest of LLP under the said agreement. It is also agreed and resolved that a total amount of Rs. 66,35,00,000/- (Rupees Sixty Six Crores Thirty Five Lacs Only) be paid as settlement cost to the aggrieved parties on the condition of settlement and withdrawal of petition from the court. Since this amount is related to land for which income is already recognised, such cost is to be directly charged in the profit & loss account of current year in the books.
- 9 Contingent liability not provided for: **NIL**

Signature to Schedule 1 to 19

For B. J. SHAH & BROS.
Chartered Accountants
Firm Reg. No. 109501W



(Tushar Shah)
(Partner)
(Mem. No. : 044689)

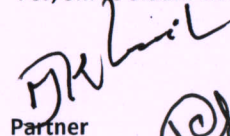


Place: Ahmedabad

Date: 09/09/2016

28

For, Shree Siddhi Infrabuildcon LLP



Partner



**SCHEDULE 8
FIXED ASSETS**

SHREE SIDDHI INFRABUILCON LLP

SR.NO	PARTICULARS	Rate of Depreci ation (%)	GROSS BLOCK			DEPRECIATION				NET BLOCK AS AT 31-03-2016 (Rs.)
			AS AT 1-4-2015 (Rs.)	ADDITION DURING THE YEAR (Rs.)	DEDUCTION DURING THE YEAR (Rs.)	AS AT 31-03-2016 (Rs.)	AS AT 1-4-2015 (Rs.)	PROVIDED FOR THE YEAR (Rs.)	DEDUCTION DURING THE YEAR (Rs.)	UPTO 31-03-2016 (Rs.)
1	Audi Car	15%	4,080,617	-	-	4,080,617	2,660,255	213,054	-	2,873,309
2	Volvo Car	15%	3,809,554	-	-	3,809,554	285,717.00	528,576	-	814,293
	TOTAL		7,890,171	0	-	7,890,171	2,945,972	741,630	-	3,687,602
										4,202,569

