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AUDIT REPORT

FINANCIAL YEAR

2015-16

Satyam Properties

405-406 Aalap-B, Limda Chowk, Opp: Shashtri Maidan, Rajkot-360001

AUDITORS:

H. B. Kalaria & Associates

CHARTERED ACCOUNTANTS

A-601/602, The Imperial Heights, Opp. Big Bazaar, 150 ft. Ring Road, Rajkot - 360005.

H. B. KALARIA & ASSOCIATES
Chartered Accountants
A-601/602, The Imperial Heights, 150 Ft. Ring Road, Opp. Big Bazaar, Rajkot - 360 001.

Auditor's Report

To,
The Partners,
Satyam Properties

We have audited the attached Balance Sheet of Satyam Properties as at 31st March, 2016 and also the Profit and Loss Account of the firm for the year ended on the date annexed thereto.

Preparation of these financial statements is the responsibility of the Firm's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further to our comments above, we report that:

i. Inventories have been certified by the management.
ii. We have primarily relied on, for the information provided for section 40A (2) (b), information and certificates provided by the party.
iii. Sundry Debtors, Sundry Creditors, Unsecured Loan are Subject to confirmation & reconciliation if any.
iv. As explained by the management, the firm has made all the necessary provisions and the amount is reasonably adequate.
v. Loans & advances are stated at the value if realized in the ordinary circumstances of the business.
vi. In our opinion and to the best our information and according to the explanations given to us, the said accounts read with notes given thereon give the information required , 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 Firm as at 31st March, 2016; and
b. In the case of the Profit and Loss Account, of the Loss for the year ended on that date.

Place. Rajkot
Date: 20th August, 2016

For, H. B. Kalaria & Associates,
Chartered Accountants
FRN: 104571W

H. B. KALARIA & ASSOCIATES
M. No. 42002
RAJKOT
CHARTERED ACCOUNTANTS

Kalaria

(Hasmukh B. Kalaria)
Partner
M. No. 042002

Tel.: 2581501 / 02 / 03 M: +91 98240 42115, 99241 32115 E-mail: hbkalaria@gmail.com

H. B. KALARIA & ASSOCIATES
Chartered Accountants
A-601/602, The Imperial Heights, 150 Ft. Ring Road, Opp. Big Bazaar, Rajkot - 360 001.

Form No. 3CB
[See Rule 6G(1)(b)]

Audit Report under section 44AB of the Income-tax Act, 1961 in the case of a person referred to in clause (b) of sub-rule 1 of Rule 6G

1. We have examined the Balance Sheet as on 31st March, 2016 and the Profit & Loss account for the period beginning from 1st April 2015 to 31st March 2016, attached here with of Satyam Properties located at 405-406 Aalap-B, Limda Chowk, Opp: Shashtri Maidan, Rajkot-360001 and having PAN ABLFS7166H.

2. We certify that the Balance Sheet and the Profit & Loss account are in agreement with the books of account maintained at the head office at 405-406 Aalap-B, Limda Chowk, Opp: Shashtri Maidan, Rajkot-360001.

3. a. In our opinion and to the best of the information obtained by us, we have observed no inconsistencies in their books of accounts.

b. Subject to above:
(A) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.
(B) In our opinion, proper books of account have been kept at the head office and branches, if any, of the assessee so far as appears from our examination of the books.
(C) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon, if any, give a true and fair view:
   (i) in the case of the balance sheet, of the statement of affairs of the assessee as at 31st March, 2016; and,
   (ii) in the case of the Profit & Loss account of the Loss of the assessee for the year ended on that date.

4. The statement of particulars required to be furnished under sec. 44AB is annexed here with in Form No. 3CD.

5. In our opinion and to the best of our information and according to the explanations given to us, the particulars given in the said Form No. 3CD, are true and correct

Place: Rajkot
Date: 20th August, 2016

For, H. B. Kalaria & Associates,
Chartered Accountants
FRN: 104571W

H. B. KALARIA & ASSOCIATES
M. No. 42002
RAJKOT
CHARTERED ACCOUNTANTS

(Hasmukh B. Kalaria)
Partner
M. No. 042002

Firm PAN: AAHFH8868A
Add: A-601/602, The Imperial Heights, Opp Big Bazaar, 150 ft. Ring Road, Rajkot - 360005.

Form 3CD
[See Rule 6G(2)]

Statement of Particulars Required to be Furnished under Sec. 44 AB of the Income-tax Act, 1961

Part A

1. Name of the Assessee: Satyam Properties
2. Address. 405-406 Aalap-B, Limda Chowk, Opp: Shashtri Maidan, Rajkot-360001
3. Permanent Account Number: ABLFS7166H
4. Whether the assessee is liable to pay indirect tax such as excise duty, service tax, sales tax, customs duty etc. If yes, please furnish the registration number or any other identification number allotted for the same: VAT No:24090402156
5. Status: Partnership Firm
6. Previous Year (From & To): 1st April 2015 to 31st March 2016.
7. Assessment Year: 2016-2017
8. Indicate the Relevant Clause of Section 44 AB under which the audit has been conducted: Section 44 AB(d) - Profit & Gains lower than deemed u/s 44 AD

Part B

9. a. If Firm or AOP, indicate name of partners/members and their profit sharing ratios. As Per Note-1 of Audit Report

   b. If there is any change in the partners/members or their profit sharing ratios since the last date of preceding year, the particulars of such change. No Change

10. a. Nature of business or profession (if more than one business or profession is carried on during the previous year, nature of every business or profession)

Sector	Sub-Sector	Code
Builders	Builders Builders	0401
Nature of Business	Construction & Development Of Building.	

   b. If there is any change in the nature of business or profession, the particulars of such change. No Change in Business during the P.Y.

11. a. Whether books of account are prescribed under section 44AA, if yes list of books so prescribed. Yes

   b. Books of account maintained and the address where they are maintained. (In case books of account are maintained in a computer system, mention the books of account generated by such computer system.)
   01. Cash Book
   02. General Ledgers
   03. Bank register
   04. Sales/purchase register
   (Computerized Books Of Accounts Maintained)
   Books are maintained at the above mentioned address of the entity.

   c. List of books of account examined. As Above

12. Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44B, 44BB, 44BBA, 44BBB or any other relevant section). Yes

H. B. KALARIA & ASSOCIATES
M. No. 42072
RAJKOT
CHARTERED ACCOUNTANTS

13\. a. Method of Accounting employed in the previous year. — Mercantile System of Accounting

b. Whether there has been any change in the method of accounting employed vis-à-vis the method employed in the immediately preceding previous year. — No Change in Method of Accounting

c. If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss. — Not Applicable

d. Details of deviation, if any, in the method of accounting employed in the previous year from accounting standards prescribed under section 145 and the effect thereof on the profit or loss. — Not Applicable

14\. a. Method of valuation of closing stock employed in the previous year. — At Cost Or Net Realizable Value which ever is Lower.

b. Details of deviation, if any, from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss.

Not Applicable

15\. Give the following particulars of capital assets converted to stock-in-trade:

a. Description of Capital Asset: — Nil

b. Date of Acquisition: — Not Applicable

c. Cost of Acquisition: — Not Applicable

d. Amount at which the asset is converted to stock-in-trade: — Not Applicable

16\. Amounts not credited to the profit and loss account, being,

a. the items falling within the scope of section 28; — Nil

b. The Performa credits, drawbacks, towards refund of customs or excise or service tax, or refund of sales tax or value added tax, where such credits, drawbacks or refunds are admitted due by the authorities concerned. — Nil

c. escalation claims accepted during the previous year; — No

d. any other item of income; — Nil

e. capital receipt, if any. — Nil

H. R. KALARIA & ASSOCIATES
M. No. 42002
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17\. Where any land or building or both is transferred during the P.Y. for a consideration less than value adopted or assessed by any authority of a State Govt. referred to in Sec. 43CA or 50C, furnish:

Not Applicable

18\. Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following form :

Sr.	Asset	Rate	Opening Bal.	Add & Put to Use Before 180 Days	Add & Put to Use After 180 Days	Deduction/ Adjustm.	Total	Allowable Depre.	Closing Bal.
1	Air Conditioner	10.00%	26,244	-	-	-	26,244	2,624	23,620
2	Computer	60.00%	1,333	-	-	-	1,333	800	533
3	Cycle	15.00%	1,376	-	-	-	1,376	206	1,170
4	HP Printer	10.00%	11,567	-	-	-	11,567	1,157	10,411
	Total		40,520	-	-	-	40,520	4,787	35,733

Notes: (For Adjustments due to Currency Fluctuations, CENVAT Credit, Subsidy and Other Matters)

1\. Opening balance has been bt taken from statement of income filed for the A.Y 2015-16

19. Amounts admissible under sections 32AC, 33AB, 33ABA, 35(1)(i), 35(1)(ii), 35(1)(iia), 35(1)(iii), 35(1)(iv), 35(2AA), 35(2AB), 35ABB, 35AC, 35AD, 35CCA, 35CCB, 35CCC, 35CCD, 35D, 35DD, 35DDA, 35E :

Not Applicable.

20. a. Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend. [Section 36(1)(ii)]. Nil

b. Any sum received from employees towards contributions to any provident fund or superannuation fund or any other fund mentioned in section 2(24)(x); and due date for payment and the actual date of payment to the concerned authorities under section 36(1)(va).

Not Applicable

21. Amounts debited to the profit and loss account, being :

a.

Sr.	Nature of Expenditure	Particulars	Amt. in Rs.
1	Expenditure of Capital Nature	Nil	-
2	Expenditure of Personal Nature	Nil	-
3	Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party;	Nil	-
4	Expenditure incurred at clubs;		
	a. as entrance fees and subscriptions	Nil	-
	b. as cost for club services and club facilities used;	Nil	-
5	Expenditure by way of penalty or fine for violation of any law for the time being in force;	Nil	-
6	any other penalty or fine;	Nil	-
7	expenditure incurred for any purpose which is an offence or which is prohibited by law;	Nil	-

b amounts inadmissible under section 40 (a);

(i) As payment to non-resident referred to in sub-clause (1):

(A) Details of Payment on which tax is not deducted:

Not Applicable.

(B) Details of payment on which tax has been deducted but has not been paid during the P.Y. or in any subsequent year before the expiry of time prescribed under section 200(1):

Not Applicable.

(ii) as payment referred to in sub-clause (ia):

(A) Details of payment on which tax is not deducted:

Not Applicable.

(B) Details of payment on which tax has been deducted but has not been paid on or before the due date specified in sub-section (1) of section 139:

Not Applicable.

H. B. KALAR & ASSOCIATES M. No. 42002 RAJKOT CHARTERED ACCOUNTANTS

(iii)	Fringe Benefit under sub-clause (Ic):	Not applicable
(iv)	Wealth Tax under sub-clause (iia):	Not applicable
(v)	Royalty, License fees, service fees under sub-clause (iib):	Not applicable

(vi) Salary payable outside india to non resident without TDS etc. under sub-clause (iii):

Not Applicable.

(vii)	Payment of PF and other Fund under sub-clause (iv):	Nil
(viii)	Tax paid by employer for perquisites under sub-clause (v):	Nil
c	interest, salary, bonus, commission or remuneration inadmissible under section 40(b) / 40(ba) and computation thereof;	Nil

d.

(A) On the basis of the examination of books of account and other relevant documents/evidence, whether the expenditure covered under section 40A(3) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details:

Not Applicable

(B) On the basis of the examination of books of account and other relevant documents /evidence, whether the payment referred to in section 40A(3A) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft If not, please furnish the details of amount deemed to be the profits and gains of business or profession under section 40A(3A):

There is no cash payment in excess of ₹ 20,000/- (₹ 35,000/- in case of plying, hiring, or leasing goods carriages) except in circumstances specified in Rules 6DD of the Income Tax Rules, 1962. However it is not possible for us to verify whether the payment in excess of ₹ 20,000/- (₹ 35,000/- in case of plying, hiring, or leasing goods carriages) have been made otherwise than by a/c payee cheque or demand draft as necessary evidence is too voluminous to be compiled by the assessee.

e.	provision for payment of gratuity not allowable under section 40A(7);	Not Applicable
f.	any sum paid by the assessee as an employer not allowable under section 40A(9);	Nil
g.	Particulars of any liability of a contingent nature.	As per explanation given by the Assessee, It is Nil.
h.	amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income,	Nil
i.	amount inadmissible under the proviso to section 36(1)(iii);	Nil
22.	Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil

23. Particulars of payments made to persons specified under section 40A(2)(b).

Not Applicable.

24.	Amounts deemed to be profits and gains under section 32AC or 33AB or 33ABA or 33AC.	Nil
25.	Any amount of profit chargeable to tax under section 41 and computation thereof.	Nil

H.B. KALARIA & ASSOCIATES M. No. 42002 RAJKOT CHARTERED ACCOUNTANTS

26. In respect of any sum referred to in clause (a), (b), (c), (d), (e) or (f) of section 43B, the liability for which :

(A) pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was paid or not paid during the previous year:

(B) was incurred in the previous year and was paid on or before the due date for furnishing the return of income of the previous year under section 139(1) or not paid on or before the aforesaid date.

Clause (A) & (B) Not Applicable

(state whether sales tax, customs duty,excise duty or any other indirect tax, levy, cess, impost etc.is passed through the profits and loss account). Note: The information given under 26(B) is only upto the date of signing the report.

27. a. Amount of Cenvat Value Added Tax credits availed of or utilized during the previous year and its treatment in the profit and loss account and treatment of outstanding Cenvat Value Added Tax credits in the accounts.

Not Applicable.

b. Particulars of income or expenditure of prior period credited or debited to the profit and loss account. — Nil

28 Whether during the previous year the assessee has received any property, being share of a company not being a company in which the public are substantially interested, without consideration or for inadequate consideration as referred to in Sec. 56(2)(viia), If yes, please furnish the details of the same. — Nil

29. Whether during the previous year the assessee received any consideration for issue of shares which exceeds the fair market value of the shares as referred to in section 56(2)(vii b), if yes, please furnish the detailsof the same — No

30. Details of any amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque [Section 69D]. — Nil

31. a. Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year:

b. Particulars of each repayment of loan or deposit in an amount exceeding the limit specified in section 269T made during the previous year:

Clause a. & b. Not Applicable.

c. Whether the taking or accepting loan or deposit, or repayment of the same were made by account payee cheque drawn on a bank or account payee bank draft based on the examination of books of account and other relevant documents — Yes

The particulars (i) to (iv) at (b) and the Certificate at (c) above need not be given in the case of a repayment of any loan or deposit taken or accepted from Government, Government company, banking company or a corporation established by a Central, State or Provincial Act.

32. a. Details of brought forward loss or depreciation allowance, in the following manner, to the extent available.

AY	Nature of Loss/ Allowance	Amount as Returned	Amount as Assessed (give reference to Relevant Order)	Remarks
2014-15	STCL	82,640	-	Loss

b. Whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section 79; — Not Applicable

H. B. KALARIA & ASSOCIATES M. No. 42002 RAJKOT CHARTERED ACCOUNTANTS

c. Whether the assessee has incurred any speculation loss referred to in section 73 during the previous year, If yes, please furnish the details of the same. — No

d. whether the assessee has incurred any loss referred to in section 73A in respect of any specified business during the previous year, if yes, please furnish details of the same. — No

e. In case of a company, please state that whether the company is deemed to be carrying on a speculation business as referred in explanation to section 73, if yes, please furnish the details of speculation loss if any incurred during the previous year — Not Applicable

33. Section-wise details of deductions, if any, admissible under Chapter VIA or Chapter III (Section 10A, Section 10AA).

Section Under Which Deduction is Claimed	Amounts admissible as per the provision of the Income-tax Act, 1961 and fulfils the conditions, If any, specified under the relevant provisions of Income-tax Act, 1961 or Income-tax Rules, 1962 or any other guidelines, circular, etc, issued in this behalf.
As Per the statement of Income Filed by the Assessee	

34. a. Whether the assessee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish:

Not Applicable.

b. whether the assessee has furnished the statement of tax deducted or tax collected within the prescribed time. If not, please furnish the details:

Not Applicable.

c. whether the assessee is liable to pay interest under section 201(1A) or section 206C(7). If yes, please furnish:

Not Applicable.

35. a In the case of a trading concern, give quantitative details of principal items of goods traded:

Not Applicable.

b. In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products:

Sr.	Particulars	Opening	Purchased	Manufactured	Consumed	Sold	Closing
	Finished Goods						
1	FLAG (Nos.)	4		-	-	1	3

36. In the case of a domestic company, details of tax on distributed profits under section 115-O in the following form:

a. total amount of profits distributed: — Not Applicable

b. amount of reduction as referred to in section 115-O(1A)(i): — Not Applicable

c. amount of reduction as referred to in section 115-O(1A)(ii): — Not Applicable

d. total tax paid thereon: — Not Applicable

e. dates of payment with amounts. — Not Applicable

37. Whether any cost audit was carried out, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the cost auditor. — Not Applicable

H. B. KALARIA & ASSOCIATES
M. No. 42002
RAJKOT
CHARTERED ACCOUNTANTS

38. Whether any audit was conducted under the Central Excise Act, 1944, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the auditor. — Not Applicable

39. Whether any audit was conducted under section 72A of the Finance Act,1994 in relation to valuation of taxable services, Finance Act, 1994 in relation to valuation of taxable services, If yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the auditor. — No

40. Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:

Sr.	Particulars	Previous Year	Preceding Previous Year
1	Total Turnover of the Assessee	18,00,000	52,00,000
2	Gross Profit/Turnover	1,72,696/18,00,000*100 =9.59%	5,27,274/52,00,000*100 =10.14%
3	Net Profit/Turnover	Net Loss, Hence not applicable.	1,33,344/52,00,000*100 =2.56%
4	Stock-in-Trade/Turnover	45,97,989/18,00,000 =2.55 times	61,30,652/52,00,000 =1.18 Times
5	Material Consumed/Finished Goods Produced	Not Applicable	Not Applicable

Note: Preceding Previous Year Figures of ratios are taken from last year's audit Report.

41. Please furnish the details of demand raised or refund issued during the previous year under any tax laws other than Income Tax Act, 1961 and Wealth tax Act, 1957 alongwith details of relevant proceedings. — Nil

Note:
Information provided in Clauses 4, 11.b., 17, 21.(d), 28, 29, 34, 35, 37, 38, 39 and 41 has been provided on the basis of representations made by the management in this regard.

Date: 20th August, 2016
Place: Rajkot

For,
H. B. Kalaria & Associates
Chartered Accountants
FRN: 104571W

(Hasmukh B. Kalaria)
Partner
Mem. No. 042002

Firm PAN: AAHFH6868A
Add: A-601/602, The Imperial Heights, Opp. Big Bazaar, 150 ft. Ring Road, Rajkot - 360005.

H. B. KALARIA & ASSOCIATES M. No. 42002 RAJKOT CHARTERED ACCOUNTANTS

Satyam Properties

Balance Sheet as on 31st March, 2016

PARTICULARS	Note	31st March 2016 Amount in ₹	31st March 2016 Amount in ₹
I. EQUITY AND LIABILITIES			
(1) Firm's Capital	1		74,95,024
(2) Non Current Liabilities			
(a) Long-term Borrowings		-	
(b) Deferred Tax Liabilities (Net)		-	
(c) Other Long-term Liabilities		-	
(d) Long-term Provisions		-	
(3) Current Liabilities			
(a) Short-term Borrowings		-	
(b) Trade Payables			
(c) Other Current Liabilities	2	60,705	
(d) Short-term Provisions		-	60,705
TOTAL			75,55,729
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	3		
i. Tangible Assets			
Gross Block		66,000	
Depreciation		30,354	
Net Block		35,646	
ii. Intangible Assets		-	
iii. Capital Work in Progress		-	
iv. Intangible Assets under Development		-	
(b) Non-current Investments	4	825	
(c) Deferred Tax Assets (Net)		-	
(d) Long-term Loans and Advances		-	
(e) Other Non-current Assets		-	36,471
(2) Current Assets			
(a) Current Investments		-	
(b) Inventories	5	45,97,989	
(c) Trade Receivables		-	
(d) Cash and Bank Balance	6	11,02,927	
(e) Short-term Loans and Advances	7	2,700	
(f) Other Current Assets	8	18,15,642	75,19,258
TOTAL			75,55,729
Notes to Accounts & Significant Accounting Policies	16		

As Per Our Separate Report Of Even Date
For, H. B. Kalaria & Associates,
Chartered Accountants
FRN: 104571W

H. B. KALARIA & ASSOCIATES
M. No. 42002
RAJKOT
CHARTERED ACCOUNTANTS

(Hasmukh B. Kalaria)
Partner
M. No. 042002
PAN: AAHFH8868A
Place: Rajkot
Date: 20th August, 2016

For & On Behalf of Partner(s)
Satyam Properties

Partner

Place: Rajkot
Date: 20th August, 2016

Satyam Properties

Profit & Loss Account For The Year Ended 31st March, 2016

	PARTICULARS	Note	31st March, 2016 Amount in ₹
I.	**Revenue From Operations**	9	18,00,000
II.	Other Income		
III.	**Total Revenue (I+II)**		18,00,000
IV.	**Expenses:**		
a.	Cost of Materials Consumed		
b.	Changes in Inventories of FG, WIP and Stock-in-Trade	10	15,32,603
c.	Purchase of Stock-in-Trade		
d.	Direct Expenses	11	94,641
e.	Employee Benefit Expenses	12	1,20,000
f.	Depreciation & Amortization Expenses	13	4,799
g.	Finance Costs	14	195
h.	Other Expenses	15	1,30,366
	Total Expenses		18,82,583
V.	**Profit before Exceptional & Extraordinary Items & Tax (III-IV)**		(82,583)
VI.	Exceptional Items		
VII.	**Profit Before Partners' Remuneration, Interest & Tax**		(82,583)
VIII.	Partner's Remuneration and Interest	1	1,50,000
IX.	**Profit before Tax**		(2,32,583)
X.	**Tax Expenses:**		
	(1) Current Tax		
	(2) Deferred Tax		
	(3) Income Tax - Prior Period		
XI.	**Profit/(Loss) for the Period from Continuing Operations (IX - X)**		(2,32,583)
XII.	Profit/(Loss) from Discontinuing Operations		
XIII.	Tax Expenses from Discontinuing Operations		
XIV.	**Profit/(Loss) from Discontinuing Operations (After Tax)**		
XV.	**Profit/(Loss) for the Period (XI + XIV)**		(2,32,583)
	Notes to Accounts and Significant Accounting Policies	16	

As Per Our Separate Report Of Even Date
For, H. B. Kalaria & Associates,
Chartered Accountants
FRN: 104571W

(Hasmukh B. Kalaria)
Partner
M. No. 042002
PAN: AAHFH8868A
Place: Rajkot
Date: 20th August, 2016

H. B. KALARIA & ASSOCIATES
M. No. 42002
RAJKOT
CHARTERED ACCOUNTANTS

For & On Behalf of Partner(s)
Satyam Properties

Partner

Place: Rajkot
Date: 20th August, 2016

Satyam Properties

Note 1: Firm's Capital

Sr.	Particulars	Profit Ratio %	Opening Balance	Additions: Share of Profit During the Year	Additions: Money Introduced In the Business	Additions: Salary to Partner	Additions: Interest to Partner	Additions: Other Credits	Additions: Total	Deductions: Withdrawals	Deductions: Other Debits	Deductions: Total	Closing Balance 2015-16
1	Krishi Developers Pvt. Ltd.	30.00%	77,15,842	(69,775)		-	-	-	(69,775)	7,50,000	13,560	7,63,560	[illegible]68,31,507
2	Narvrat V. Faldu	30.00%	[illegible]93,342	(69,775)	3,00,000	-	-	-	2,30,225	-	13,560	13,560	[illegible]30,007
3	Vimalkumar J. Faldu	40.00%	[illegible]5,68,623	(93,033)	4,00,000	1,50,000	-	-	4,56,967	7,25,000	18,080	7,43,080	[illegible]02,5[illegible]
	Total	100.00%	83,97,807	(2,32,583)	7,00,000	1,50,000		-	6,17,417	14,75,000	45,200	15,20,200	[illegible]74,95,024

M. S. [illegible]ALARIA & ASSOCIATES
M. No. 42302
RAJKOT
CHARTERED ACCOUNTANTS

Satyam Properties

Notes Annexed to and Forming Part of Financial Statements as at 31st March, 2016

Particulars	31st March 2016	
	Amount in ₹	Amount in ₹
Note 2: Other Current Liabilities		
Creditors for Expenses		60,705
Total		60,705
Note 4: Non-current Investments		
Share of The City Credit Co-Op. Society Ltd.	800	
Share of The Co-Op Bank Of Rajkot (One equity share - Sr.No12076804)	25	825
Total		825
Note 5: Inventories		
Finished Goods		
Satyam Residency	45,97,989	45,97,989
Total		45,97,989
Note 6: Cash and Bank Balance		
Cash On Hand		4,13,981
Others		
Current Account with HDFC Bank	6,88,946	6,88,946
Total		11,02,927
Note 7: Short-term Loans and Advances		
To Others		
Advance Given To Supplier		
Ambuja Cement Ltd.	2,700	2,700
Total		2,700
Note 8: Other Current Assets		
Land Development	18,15,642	18,15,642
Total		18,15,642
Note 9: Revenue From Operations		
Sale of Products		
Satyam Residency (Flat No. 102)	18,00,000	18,00,000
Total		18,00,000
Note 10: Changes in Inventories of FG, WIP and Stock-in-Trade		
Opening Stock of Finished Goods	61,30,652	
Less: Closing Stock of Finished Goods	45,97,989	15,32,663
Total		15,32,663

H. B. KALARIA & ASSOCIATES
M. No. 42002
RAJKOT
CHARTERED ACCOUNTANTS

Satyam Properties

Notes Annexed to and Forming Part of Financial Statements as at 31st March, 2016

Particulars	31st March 2016	
	Amount in ₹	Amount in ₹
Note 11: Direct Expenses		
Power and Fuel		
Electricity Expense	16,315	
Gas Expense	4,961	21,276
Rates and Taxes		
Property Tax	60,705	
VAT Expense	10,800	71,505
Total		92,781
Note 12: Employee Benefit Expenses		
Administrative Employees		
Watchman Salary	1,20,000	
Total		1,20,000
		1,20,000
Note 13: Depreciation & Amortization Expenses		
Depreciation (As per Note: 3)		4,799
Total		4,799
Note 14: Finance Costs		
Other Financial Costs		
Bank Charges	115	
Total		115
		115
Note 15: Other Expenses		
Administrative Expenditure		
Auditor Remuneration:		
Audit Fee	11,236	
Others		
Accountant Salary	77,500	
Legal Fees	7,000	
Miscellaneous Expense	1,525	
Petrol Expense	15,130	
Stationary Expense	3,120	
Telephone Expense	9,875	
VAT Audit Fees	4,500	
Water Expense	480	
		1,30,366
Total		1,30,366

H. B. KALARIA & ASSOCIATES
M. No. 42002
RAJKOT
CHARTERED ACCOUNTANTS

Satyam Properties

Notes Annexed to and Forming Part of Financial Statements as at 31st March, 2016

Particulars		31st March 2016
Group A: Creditors for Expenses		
Rajkot Municipal Corporation	60,705	60,705
Total		60,705
Group B: Other Manufacturing Expenses		
Site Expense	1,860	1,860
Total		1,860

H. S. KALARIA & ASSOCIATES
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Satyam Properties

Note 3: Tangible & Intangible Assets and Capital Work in Progress

Amount in ₹

Particulars	Rate of Depreciation	Gross Block				Depreciation				Net Block	
		As on 01.04.2015	Additions	Deductions/ Adjustments	Total as on 31.03.2016	As on 01.04.2015	Depreciation for the Year	Deductions/ Adjustments	Total as on 31.03.2016	As on 31.03.2016	As on 31.03.2015
Tangible Assets											
Furniture and Fixtures											
Air Conditioner	10.00%	36,000	-	-	36,000	9,756	2,624	-	12,380	23,620	26,244
					-				-		-
Vehicles											
Cycle	15.00%	2,850	-	-	2,850	1,100	263	-	1,363	1,487	1,750
					-				-		-
Office Equipments											
Computer System	60.00%	11,900	-		11,900	10,567	800		11,367	533	1,333
HP Printer	10.00%	15,250	-	-	15,250	4,133	1,112	-	5,244	10,006	11,118
Sub-Total		66,000		-	66,000	25,556	4,799	-	30,354	35,646	40,445
Total Tangible Assets		66,000	-	-	66,000	25,556	4,799	-	30,354	35,646	40,445
Previous Year	-	66,000	-	-	66,000	19,097	6,459	-	25,556	40,445	46,904

N. S. KALARIA & ASSOCIATES
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CHARTERED ACCOUNTANTS

Satyam Properties

Note 16: Significant Accounting Policies

Corporate Information

The Firm is engaged in the business of construction and development of buildings.

1 **Basis of Accounting**

These financial statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Certain items of income and expenses and asset valuation are recognized for the purpose of financial statement in different time periods than for tax purposes.

Figures have been regrouped wherever necessary.

2 **Use of Estimates**

The preparation of financial statements requires the management of the Firm to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment.

3 **Fixed Assets**

Tangibles

All fixed assets are stated at cost of acquisition, less accumulated depreciation and includes adjustment arising from exchange rate variations attributable to fixed assets. In the case of fixed assets acquired for new projects / expansion certain direct expenses incurred upto the date of completion of project are capitalised and expenditure for maintenance and repairs are charged to the Profit and Loss Account, when assets are sold or discarded their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the Profit & Loss Account. When fixed assets are revalued any surplus on revaluation is credited to the revaluation reserve account.

4 **Depreciation/Amortization**

Tangibles

Depreciation on Fixed assets is provided on Written down Value Method at the rates and in the manner specified by various laws in this regard.

5 **Investments**

Investments that are readily realisable and intended to be held but not more than a year are classified as current investments. All other investments are classified as long term investments. Long term investments are stated at cost, except where there is a diminution in value (other than temporary), in which case the carrying value is reduced to recognise the decline. Current Investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

6 **Inventories**

Raw materials, stores, spares, tools & packing material is valued at cost or net realizable value whichever is less. Work in process & finished goods are valued at cost or market value whichever is less.

7 **Provisions and Contingencies**

The Concern recognizes a provision when there is a 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 the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

H. B. KALARIA & ASSOCIATES
M. NO. 42062
RAJKOT
CHARTERED ACCOUNTANTS

8 Revenue Recognition

(i) Incomes and Expenditure are generally accounted on accrual, as they are earned or incurred.

(ii) Revenue in respect of Other Income is recognized when no significant uncertainty as to its determination of realization exists.

(iii) Income is recognised on the basis of completion of contract.

9 Taxes on Income

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

10 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

As Per Our Separate Report Of Even Date
For, H. B. Kalaria & Associates,
Chartered Accountants

H. B. KALARIA & ASSOCIATES
M. No. 42002
RAJKOT
CHARTERED ACCOUNTANTS

(Hasmukh B. Kalaria)
Partner
M. No. 042002
PAN: AAHFH8868A
Place: Rajkot
Date: 20th August, 2016

For & On Behalf of Partner(s)
Satyam Properties

Partner

Place: Rajkot
Date: 20th August, 2016

Satyam Properties

405-406 Aalap-B, Limda Chowk, Opp: Shashtri Maidan, Rajkot-360001

Date: 20th August, 2016

To,

H. B. Kalaria & Associates
A-601/602, The Imperial Heights, Opp. Big
Bazaar, 150 ft. Ring Road, Rajkot - 360005.

Sub: Management Letter for Audit Representation

Sir,

This representation letter is provided in connection with your audit of our financial statements for the year ended, 31st March, 2016 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of (present fairly, in all material respects) the financial position as of 31st March, 2016 and of the results of its operations and its cash flows for the year ended in accordance with the Generally Accepted Accounting Standards and the Income-tax Act, 1961 along with other applicable laws, Rules and circulars issued from time to time by the relevant authorities.

We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the Accounting Standards and other applicable laws. .

We confirm, to the best of our knowledge and belief, the following representations:

a. That in preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

b. We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of applicable laws, for safeguarding the assets of the firm and for preventing and detecting fraud and other irregularities;

c. The firm has prepared the annual accounts on a going concern basis;

d. We have made available to you all Financial records and related data or summaries of actions of recent meetings;

e. There have been no communications from regulatory agencies concerning non- compliance with or deficiencies in financial reporting practices.

f. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

g. We believe that the effects of the uncorrected financial statement misstatements summarized in the acfirming schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

h. There has been no fraud involving management or employees or others who have significant roles in internal control.

i. The firm has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

j. The following have been properly recorded or disclosed in the financial statements:
   1. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
   ii Guarantees, whether written or oral, under which the firm is contingently liable.
   iii. Significant estimates and material concentrations known to management are disclosed properly.

Satyam Properties

405-406 Aalap-B, Limda Chowk, Opp: Shashtri Maidan, Rajkot-360001

k. There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency or Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with AS –17, Accounting for Contingencies.

l. The firm has satisfactory title to all owned assets and are duly utilised for the business purpose only. There are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except for those as mentioned in the Notes. None of the fixed assets have been revalued during the year;

m. The cash in hand was physically verified and agreeing as shown in the financial statements;

n. That there is no personal / Capital expenditure debited to the Profit & Loss Account;

o. That the firm has not violated any provisions regarding Deduction of Tax at Source as prescribed by Income Tax Act, 1961;

p. That all the Current Assets & Current Liabilities are stated at their realisable value;

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforesaid financial statements.

(Partner) (Partner) Place: Rajkot