AUDIT REPORT

NAME: SWAGAT INFRASTRUCTURE PRIVATE LIMITED

ADDRESS: 307-308, SARTHIK SQUARE, NR. GNFC TOWER, BODAKDEV, AHMEDABAD (GUJ.) -380054

FINANCIAL YEAR: 2014-15

Auditor:

S. K. JHA & CO.

CHARTERED ACCOUNTANTS

204, ISCON PLAZA,

SATELLITE ROAD, SATELLITE,

AHMEDABAD-380015

S K Jha & Co.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of

SWAGAT INFRASTRUCTURE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SWAGAT INFRASTRUCTURE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and 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 management and Board of Directors of the Company are responsible for the matters stated 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 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of 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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015 and its profit 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 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we further 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 applicable 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 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 Section 164(2) of the Act

   f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors)

S. K. JHA & CO. ACCOUNTANTS

Rules, 2014::

i. The Company does not have any pending litigations which would impact its financial position other than forming part of notes.
ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For S K Jha & Co.
(Chartered Accountants)
FRN: 126173W

Satyendra K Jha
(Partner)
Membership No. 100106

Place :Ahmedabad
Date: 3rd September, 2015

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT ON THE ACCOUNTS OF SWAGAT INFRASTRUCTURE PRIVATE LIMITED FOR THE YEAR ENDING 31st March, 2015

As required by the Companies (Auditor's report) Order, 2015 issued by the central Government of India in terms of Section 143(11) of the Companies Act, 2013, we report that:

1 **In respect of fixed assets:**

(A) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

(B) As explained to us, all the fixed assets have been physically verified by the management during the year at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such physical verification.

2 **In respect of its inventories:**

(A) As explained to us, the inventory has been physically verified by the management at regular intervals during the year.

(B) In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to size of the company and nature of its business.

(C) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company has maintained proper records of inventory. And there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3 **In respect of loans granted by the company, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013:**

(a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not

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granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), iii (b) of the order are not applicable to the Company.

4 In respect of Internal Control System

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in the internal control.

5 In respect of Deposits from public

In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 73 to 76 of the Companies Act and Rules framed there under are not applicable to the company.

6 In respect of Maintenance of Cost Records

To the best of our knowledge the Central Government has not prescribed the maintenance of cost records U/s 148(1) of the Companies Act, 2013 for any of the products of the company.

7 In respect of statutory dues:

1. According to the information and explanations given to us, the company was generally regular in depositing undisputed statutory dues within six months from the date they become payable including Employees Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authority during the year except Service Tax of Rs. 54,62,697/-

2. According to the records examined by us and the information and explanations given to us, there are No disputed amounts due in respect of wealth tax, sales tax, service tax, excise duty, Employees provident fund, Employee state insurance fund and other statutory dues at the end of the year except following:-

Sr No.	Name of Status	Nature of Dues	Period for which the amount relates	Forum where dispute is pending	Amount in Rs.
1.	Income Tax Act, 1961	Income Tax Act, 1961	April 2009 to March 2010	Gujarat High Court	92,17,379/-
2.	Income Tax Act, 1961	Income Tax Act, 1961	April 2010 to March 2011	Income Tax Appellate Tribunal	164,76,481/-
3.	Income Tax Act, 1961	Income Tax Act, 1961	April 2011 to March 2012	CIT (Appeal) Amedabad	2,27,59,540/-

3. According to the records examined by us, no amount was required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act,1956 (1 of 1956) and rules made there under.

8 **In respect of Accumulated Losses**

The Company does not have accumulated losses as at the end of the year are not less than Fifty percent of the net-worth and the Company has not incurred cash losses during current and the immediately preceding financial year.

9 **In respect of In respect of Repayment of loans**

In our opinion and according to information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

10 **In respect of Guarantee given**

As per information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, terms and conditions whereof are prejudicial to the interest of the company.

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11 In respect of purpose of term loans

As per the records of the company and according to the information and explanation given to us, Term loans obtained have been applied for the purpose for which they were raised.

12 In respect of Fraud

In our opinion and according to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year.

For S K Jha & Co.
(Chartered Accountants)
FRN: 126173W

Satyendra K Jha
(Partner)
Membership No. 100106

Place :Ahmedabad
Date: 3rd September, 2015