Sanghavi & Co.

chartered accountants

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INDEPENDENT AUDITORS' REPORT

To

The Members of

NALANDA HOUSING DEVELOPMENT PRIVATE LIMITED

Opinion

We have audited the accompanying financial statements of **NALANDA HOUSING DEVELOPMENT PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at **31st March 2019**, the statement of profit and loss for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("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 2019** and of the **LOSS** for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Shareholder's Information, but does not include the financial statements and auditor's report thereon.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements to 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 the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; and design, implementation and maintenance of adequate internal financial controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concerns and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 it appears from our examination of those books;

   c) The Balance Sheet and the Statement of Profit and loss dealt with by this Report are in agreement with the books of account;

SANGHAVI & COMPANY
Chartered Accountants

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 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms 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 the requirement of Section 197(16) of the Act, as amended,
Since the company being a private limited company, requirement of requisite approval for Managerial remuneration under Section 197 read with Schedule V to the Act is not applicable.

h) With respect to the other matters to be included in the Auditors' 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 explanation 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

SANGHAVI & COMPANY
Chartered Accountants

G.R.SANGHAVI
Partner
Membership No. 044264
UDIN :- 19044264AAAAIK6663

Place :- Rajkot
Date :- 21.09.2019

NALANDA HOUSING DEVELOPMENT PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH 2019

(Amounts in Indian ₹)

Particulars	Note No.	31st March 2019		31st March 2018	
EQUITY AND LIABILITIES ::					
Shareholders' Funds					
Share Capital	2	2,415,000		2,415,000	
Reserves and Surplus	3	(22,052,155)	(19,637,155)	(11,682,465)	(9,267,465)
Share Application Money Pending Allotment			-		-
Non-Current Liabilities					
Long-term Borrowings	4	53,191,505		35,597,264	
Other Long Term Liabilities		-		-	
Long-term Provisions		-	53,191,505	-	35,597,264
Current Liabilities					
Short-term Borrowings	5	728,637		1,357,637	
Trade Payables	6	415,149		360,206	
Other Current Liabilities	7	5,150,801		4,813,675	
Short-term Provisions		-	6,294,587	-	6,531,518
Total...			39,848,937		32,861,317
ASSETS ::					
Non-Current Assets					
Property, Plant & Equipments	8				
Tangible Assets		39,258,379		32,162,402	
Intangible Assets		-		-	
Capital Work-in-Progress					
		39,258,379		32,162,402	
Non-current Investments		-		-	
Long-term Loans and Advances		-		-	
Other Non-current Assets		-	39,258,379	-	32,162,402
Current Assets					
Current Investments		-		-	
Inventories		-		-	
Trade Receivables		-		-	
Cash and Bank Balances	9	419,870		676,851	
Short-term Loans and Advances	10	170,688		22,064	
Other Current Assets		-	590,558	-	698,915
Total...			39,848,937		32,861,317

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:- 21.09.2019

For and on behalf of the Board of Directors

Himanshusinhji Jadeja
Director
DIN - 01733058

Jitendra Pandya
Director
DIN - 01369569

Place:- Rajkot
Date:- 21.09.2019

NALANDA HOUSING DEVELOPMENT PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

(Amounts in Indian ₹)

Particulars	Note No.		2018-19		2017-18
REVENUE :					
Revenue from Operations	11		1,030,000		1,040,000
Other Income	12		-		-
Total Revenue			1,030,000		1,040,000
EXPENSES :					
Cost of Materials Consumed			-		-
Purchases of Stock-in-Trade			-		-
Changes in Inventories			-		-
Employee Benefits Expenses	13		108,000		108,000
Finance Costs	14		838,371		454,274
Depreciation and Amortization			8,909,862		5,255,151
Other Expenses	15		1,543,457		191,797
Total Expenses			11,399,690		6,009,222
Profit before exceptional and extraordinary items and tax			(10,369,690)		(4,969,222)
Exceptional Items			-		-
Extraordinary Items			-		-
Profit Before Tax			(10,369,690)		(4,969,222)
Tax Expenses					
Current tax		-		-	
Earlier Years' Tax		-		551,210	
Deferred Tax		-	-	-	551,210
Net Profit for the year			(10,369,690)		(5,520,432)
Face Value per Equity Share			10.00		10.00
Earnings per Equity Share					
Basic / Diluted			(42.94)		(22.86)

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

SANGHAVI & COMPANY Chartered Accountants

G R SANGHAVI
Partner
Membership No. 044264

Place:- Rajkot
Date:- 21.09.2019

For and on behalf of the Board of Directors

Himanshusinhji Jadeja
Director
DIN - 01733058

Jitendra Pandya
Director
DIN - 01369569

Place:- Rajkot
Date:- 21.09.2019

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.

PROPERTY, PLANT & EQUIPMENTS & 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.

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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.

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Chartered Accountants

Note No. 2

2.1 Share Capital:

	31st March 2019 ₹	31st March 2018 ₹
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 2019		31st March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Shri Himanshusinhji Jadeja	241,490	99.996%	159,590	66.00
Smt. Kumudkumari Jadeja	-	-	43,900	18.18
Shri Jyotindrasinhji Jadeja	-	-	38,000	15.73

SANGHAVI & COMPANY Chartered Accountants

Note No. 3

Reserves and Surplus

Particulars	31st March 2019 ₹	31st March 2018 ₹
Surplus		
Balance at the beginning of the year	(11,682,465)	(6,162,033)
Net Profit for the year	(10,369,690)	(5,520,432)
Balance at the end of the year	(22,052,155)	(11,682,465)
	(22,052,155)	(11,682,465)

Note No. 4

Long Term Borrowings

Particulars	31st March 2019 ₹	31st March 2018 ₹
Unsecured Borrowings		
From Directors	50,000,000	27,255,000
Secured Borrowings		
From HDFC Bank Car Loan	3,191,505	8,342,264
(For current Maturity refer Note - 7)		
(Secured against Car)		
	53,191,505	35,597,264

Note No. 5

Short Term Borrowings

Particulars	31st March 2019 ₹	31st March 2018 ₹
Unsecured Borrowings		
From Directors	628,637	1,257,637
From company in which director interested	100,000	100,000
	728,637	1,357,637

Note No. 6

Trade payables

Particulars	31st March 2019 ₹	31st March 2018 ₹
Trade payable		
(a) Total outstanding dues of micro and small enterprises	0	0
(b) Total outstanding dues of creditors other than micro and Small enterprises	415,149	360,206
	415,149	360,206

Note No. 7

Other Current Liabilities

Particulars	31st March 2019 ₹	31st March 2018 ₹
Current maturity of Loan Term Borrowings (Refer Note No - 4)	5,150,801	4,773,675
Advance against sale	0	40,000
	5,150,801	4,813,675

SANGHAVI & COMPANY Chartered Accountants

NALANDA HOUSING DEVELOPMENT PRIVATE LIMITED

NOTE NO. 8 PROPERTY PLANT & EQUIPMENTS

Particulars	Useful Lives (Years)	Gross Block				Accumulated Depreciation				Net Block	
		As at 1st April 2018	Additions	Deductions	As at 31st March 2019	As at 1st April 2018	Depreciation for the year	On deductions	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Owned Tangible Assets											
Vehicles (Car)	8	29,433,049	16,005,839	0	45,438,888	5,597,621	8,693,460	0	14,291,081	31,147,807	23,835,428
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	1,914,972	216,402	0	2,131,374	2,069,262	2,285,664
TOTAL...		39,674,995	16,005,839	0	55,680,834	7,512,593	8,909,862	0	16,422,455	39,258,379	32,162,402

SANGHAVI & COMPANY
Chartered Accountants

Note No. 9
Cash and Bank Balances

Particulars	31st March 2019	31st March 2018
	₹	₹
I. Cash and Cash Equivalents		
a. Balances with Banks:		
Current accounts	319,525	668,506
Short term deposits	0	0
Cheques on hand	0	0
	319,525	668,506
b. Cash on Hand	100,345	8,345
	419,870	676,851
II. Other Bank Balances		
Terms deposits with more than 12 months maturity	0	0
Other terms deposits	0	0
	0	0
	419,870	676,851

Note No. 10
Short Term Loans Advances

Particulars	31st March 2019	31st March 2018
	₹	₹
Advance to Directors	170,688	22,064
	170,688	22,064

SANGHAVI & COMPANY Chartered Accountants

Note No. 11
Revenue From Operations

Particulars	31st March 2019	31st March 2018
	₹	₹
Rent Income	1,030,000	1,040,000
	1,030,000	1,040,000

Note No. 12
Employee Benefit

Particulars	31st March 2019	31st March 2018
	₹	₹
Salary & Wages	108,000	108,000
	108,000	108,000

Note No. 13
Finance Cost

Particulars	31st March 2018	31st March 2017
	₹	₹
Interest on Bank Loan	838,371	454,274
	838,371	454,274

Note No. 14
Other Expenses

Particulars	31st March 2019	31st March 2018
	₹	₹
Bank Charges	0	469
Payment to Auditors	30,000	27,500
Insurance Exp	397,390	0
Bank loan expense	0	38,918
Electricity expense	107,468	87,932
Kasar	0	21
Vehicle Exp	896,346	36,957
Land revenue tax	112,253	0
	1,543,457	191,797

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Chartered Accountants

15. Transactions with related parties:

i) Name of Related parties:

Particulars	**Relation**
Key Management Personnel	
Shri Himanshusinhji Jadeja	Director
Shri Jitendra Pandya	Director
Niranjanba Jadeja	Director (w.e.f. 31.12.2018)
Octagon Developers Pvt Ltd	A company in which directors are interested.

ii) Transaction with related party:

Particulars	**FY 18-19**		**FY 17-18**	
	Transaction During Year	**Yearend Balance**	**Transaction During Year**	**Yearend Balance**
Unsecured Borrowings :				
Shri Himanshusinhji Jadeja				
Accepted during the year	2,29,16,000	5,06,28,637	1,30,01,210	2,85,12,637
Repayment during the year	8,00,000		5,31,001	
Octagon Developers Pvt Ltd				
Accepted during the year		1,00,000	--	1,00,000
Repayment during the year			--	
Loan and Advances given :				
Shri Jitendra Pandya				
Advances	--	22064	--	22064
Niranjanba Jadeja	148624	148624	--	--

SANGHAVI & COMPANY
Chartered Accountants

16. 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	2018-19	2017-18
Against audit fees	15,000	15,000
Against Income Tax Matter	10,000	2,500
Against Company Law Matter	5,000	10,000
TOTAL>>	30,000	27,500

21. During the year the company has purchased car amounting to Rs. 16005839 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. The company borrowed loan of Rs.14961082 which is secured against vehicle for which filing of registration of charge is pending.

SANGHAVI & COMPANY
Chartered Accountants

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

SANGHAVI & COMPANY Chartered Accountants

G.R.SANGHAVI

Partner

Meb No. 044264

Place: - Rajkot

Date: - 21.09.2019

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: - 21.09.2019