NEPTUNE INFRASTRUCTURE

Financial Statements

For the period ended 31st March 2017

AUDITORS

K C Mehta & Co.
Chartered Accountants

Meghdhanush,
Race Course,
Vadodara - 390 007

Phone: +91 265 2341626 / 2440400
Fax: +91 265 2440455
E-Mail: office@kcmehta.com

INDEPENDENT AUDITORS' REPORT

To,
The Partners of Neptune Infrastructure

Report on the Financial Statements

We have audited the accompanying financial statements of **NEPTUNE INFRASTRUCTURE**, which comprise the Balance Sheet as at 31st March 2017, the Profit and Loss Account and Cash Flow Statement 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 generally accepted accounting principles in India. 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 Firm'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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 qualified audit opinion.

Basis for Qualified Opinion

The firm has not complied with the provision of Accounting Standard 16 on "Borrowing Costs" issued by the Institute of Chartered Accountants of India. In accordance with AS-16, the firm should have capitalized borrowing costs on qualifying assets, the capitalization rate should have been the weighted average of the borrowing costs and capitalization should have been ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale is complete. The impact of the same on the financial statements could not be ascertained.

K.C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects for the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the firm as at March 31, 2017.

(b) in the case of the Profit and Loss account, of the loss for the year ended on that date; and

(c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Neela R. Shah
Partner
Membership No. 45027
Place: Vadodara
Date: 5th September, 2017

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

NEPTUNE INFRASTRUCTURE

BALANCE SHEET AS AT 31ST MARCH, 2017

	Schedule No	As at 31st March, 2017 Amount in ₹	As at 31st March, 2016 Amount in ₹
SOURCES OF FUNDS			
Partners' Capital	1	**122,340,774**	122,519,071
Loan Funds			
Secured Loans	2	**356,345,737**	359,909,756
Unsecured Loans	3	**298,919,811**	163,821,856
TOTAL		**777,606,322**	646,250,683
APPLICATION OF FUNDS			
Fixed Assets	4		
Opening Written Down Value		**215,006**	252,080
Add: Additions/(Deduction) during the year		-	-
Less: Depreciation during the year		**31,416**	37,074
Closing Written Down Value		**183,590**	215,006
Current Assets, Loans and Advances			
Inventories	5	**844,990,496**	774,722,688
Cash and Bank Balances	6	**120,735**	3,528,189
Loans and advances	7	**209,724**	209,724
		845,320,955	778,460,601
Less: Current Liabilities and Provisions			
Current Liabilities	8	**67,898,223**	132,424,924
Net Current Assets		**777,422,732**	646,035,677
TOTAL		**777,606,322**	646,250,683
Significant Accounting Policies and Notes on Accounts	14		

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

Neela R. Shah
Partner
Membership No. 45027
Place : Vadodara
Date : 5th September, 2017

For Neptune Infrastructure

Niral K. Patel — **Partner**

Amish K. Patel — **Partner**

Place : Vadodara
Date : 5th September, 2017

NEPTUNE INFRASTRUCTURE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

		Year ended 31st March, 2017 Amount in ₹	Year ended 31st March, 2016 Amount in ₹
INCOME			
Other Income	9	**35,999**	95,102
TOTAL		**35,999**	95,102
EXPENDITURE			
Purchase and other direct cost	10	**70,267,808**	57,175,967
(Increase)/Decrease in inventory	11	**(70,267,808)**	(57,175,967)
Administrative Expenses	12	**124,143**	243,795
Interest and Finance Charges	13	**90,153**	39,940
TOTAL		**214,296**	283,735
Profit/(loss) before tax		**(178,297)**	(188,633)
Balance Distributed Among Partners		**(178,297)**	(188,633)
Significant Accounting Policies and Notes on Accounts	14		

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

Neela R. Shah
Partner
Membership No. 45027
Place : Vadodara
Date : 5th September, 2017

For Neptune Infrastructure

Niral K. Patel
Partner

Amish K. Patel
Partner

Place : Vadodara
Date : 5th September, 2017

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT

		As at 31st March, 2017 Amount in ₹	As at 31st March, 2016 Amount in ₹
SCHEDULE 1: PARTNERS' CAPITAL ACCOUNTS			
1) NIRAL K. PATEL			
Opening Balance		**(56,889)**	(55,003)
Add: Addition during the year		-	-
		(56,889)	(55,003)
Less: Profit/(Loss) during the year		**(1,783)**	(1,886)
	(a)	**(58,672)**	(56,889)
2) NEPTUNE REALITY PVT. LTD.			
Opening Balance		**122,575,960**	122,762,707
Add: Addition during the year		-	-
		122,575,960	122,762,707
Less: Loss during the year		**(176,514)**	(186,747)
	(b)	**122,399,446**	122,575,960
TOTAL	**(a + b)**	**122,340,774**	122,519,071

SCHEDULE 2: SECURED LOANS			
- From Banks		**356,345,737**	359,909,756
TOTAL		**356,345,737**	359,909,756

(a) Term loans and overdraft facility from Dena Bank are secured by the way of immovable properties being land having Block No. J and K bearing Revenue Survey No 108/B, 111B and 112/B situated at Subhanpura, Vadodara belonging to Neptune Infraspace Private Limited.

(b) Asset backed loan availed during the year from State Bank of India is primarily securely by receivables from proposed project and it is collaterally secured by the immovable property in the name of firm being commercial land bearing City Survey No. 383 Part, Revenue Survey No. 54A, Block No. 3, situated at Wadi Wadi Vadodara.

(c) Till previous year, Overdraft facility availed from State Bank of India was secured by the fixed deposit in the name of Atlanta Electricals Private Limited. The same had been repaid during the year.

SCHEDULE 3: UNSECURED LOANS			
- From Associates & Relatives		**298,919,811**	163,821,856
TOTAL		**298,919,811**	163,821,856

K. C. MEHTA & CO. CHARTERED ACCOUNTANTS VADODARA

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	As at 31st March, 2017 Amount in ₹	As at 31st March, 2016 Amount in ₹
SCHEDULE 5: INVENTORIES		
(As taken valued and certified by the Partners)		
Opening stock	**774,722,688**	717,546,720
Add: Purchase and direct cost	**70,267,808**	57,175,967
Less: Cost of sale of Land	-	-
TOTAL	**844,990,496**	774,722,687
SCHEDULE 6: CASH AND BANK BALANCE		
Cash on hand	**4,150**	175,550
Bank Balances		
- With Schedule Banks	**116,585**	3,352,639
TOTAL	**120,735**	3,528,189
SCHEDULE 7: LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Receivable from retiring partners	-	-
Deposit with others	**161,000**	161,000
TDS Receivable - F Y 14-15	**48,724**	48,724
TOTAL	**209,724**	209,724
SCHEDULE 8: CURRENT LIABILITIES		
Advance against booking	**65,000,000**	130,000,000
Sundry Creditors	**825,279**	90,000
(Refer Note No.2 of Schedule 14B)		
Security Deposit	**88,101**	-
Expenses payable	**1,984,843**	2,334,924
TOTAL	**67,898,223**	132,424,924
SCHEDULE 9: OTHER INCOME		
Interest on Income Tax Refund	-	81,144
Balance Written Back	**35,999**	4,943
Interest on NSC	-	9,015
TOTAL	**35,999**	95,102

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

NEPTUNE INFRASTRUCTURE

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	As at 31st March, 2017 Amount in ₹	As at 31st March, 2016 Amount in ₹
SCHEDULE 10 : PURCHASE AND OTHER DIRECT COST		
Land Development Expenses	**7,494,335**	3,478,354
Borrowing cost -Interest on Loan	**60,373,781**	52,474,140
(Refer Note No.1 of Schedule 14B)		
Property Tax	**187,126**	30,639
Loan processing charges	**2,181,150**	1,155,760
Depreciation	**31,416**	37,074
TOTAL	**70,267,808**	57,175,967
SCHEDULE 11 : (INCREASE)/DECREASE IN INVENTORY		
Opening Stock	**774,722,688**	717,546,720
Less : Closing Stock	**844,990,496**	774,722,687
TOTAL	**(70,267,808)**	(57,175,967)
SCHEDULE 12: ADMINISTRATIVE EXPENSES		
Audit Fees	**10,000**	8,625
Printing & Stationery	**700**	-
Other Expenses	**90**	-
Legal & Professional Charges	**110,753**	219,920
Rates & Taxes	**2,600**	15,250
TOTAL	**124,143**	243,795
SCHEDULE 13: INTEREST AND FINANCE CHARGES		
Interest on Government Taxes	-	550
Bank Charges	**90,153**	39,390
TOTAL	**90,153**	39,940

K.C. MEHTA & CO. CHARTERED ACCOUNTANTS VADODARA

NEPTUNE INFRASTRUCTURE

GROUPINGS TO THE BALANCE SHEET

	As at 31st March, 2017 Amount in ₹	As at 31st March, 2016 Amount in ₹
Grouping : 1 Secured loans from Banks		
Dena Bank Term Loan	**228,124,970**	269,927,013
Dena Bank OD	**27,009,959**	35,879,436
State Bank of India - New OD - 30 Crores	**101,210,808**	-
State Bank of India - OD	-	54,103,307
	356,345,737	359,909,756
Grouping : 2 Unsecured loans from Associates & relatives		
Neptune Reality Pvt. Ltd.	**298,919,811**	163,821,856
	298,919,811	163,821,856
Grouping : 3 Land Development Expenses		
Land Development Expenses	-	3,478,354
Blocks - Neptune Road	**703,993**	-
Bricks - Neptune Road	**138,289**	-
Cement - Neptune Road	**699,000**	-
General Purchase - Neptune Road	**126,445**	-
Kapchi - Neptune Road	**43,104**	-
Pipes & Fittings Material - Neptune Road	**276,465**	-
Sand - Neptune Road	**22,129**	-
Steel - Neptune Road	**70,266**	-
Sub Contract Work - Neptune Road	**3,312,662**	-
Carting on Purchase - Neptune Road	**419,781**	-
Labour Charges - Neptune Road	**1,682,201**	-
TOTAL	**7,494,335**	**3,478,354**
Grouping 4: Bank Balance		
Bank balances with Scheduled Banks		
In Current Accounts		
- State Bank of India	**56,504**	118,850
- State Bank of India - 942	**13,058**	-
- Dena Bank Alkapuri BR- Current A/c	**14,851**	3,201,616
- Kotak Mahindra Bank Ltd	**32,173**	32,173
TOTAL	**116,585**	3,352,639
Grouping 5: Expenses Payable		
Audit Fees	**11,500**	8,625
Professional Fees Payable	-	36,000
Interest Payable	**1,973,343**	2,290,299
TOTAL	**1,984,843**	2,334,924
Grouping 6: Deposits		
Madhya Gujarat Vij Co. Ltd.	**135,000**	135,000
Sales Tax Deposit	**25,000**	25,000
Tata Communication Internet Service Limited	**1,000**	1,000
TOTAL	**161,000**	161,000

K.C. [illegible] & CO. VADODARA CHARTERED ACCOUNTANTS

NEPTUNE INFRASTRUCTURE

GROUPINGS TO THE BALANCE SHEET

		As at 31st March, 207 Amount in ₹	As at 31st March, 2016 Amount in ₹
Grouping 7: Advances From Customers			
Godiji Realty Pvt Ltd		**65,000,000**	130,000,000
	TOTAL	**65,000,000**	130,000,000
Grouping 8: Sundry Creditors			
V. K. Shah & Associates		-	90,000
A B Patel		**18,385**	-
Bharat Transport		**69,148**	-
Kamlesh Variya		**16,843**	-
Nandni Construction		**207,586**	-
Rachana Tiles		**169,235**	-
Ronak Construction		**12,379**	-
Sarvoday Construction		**136,288**	-
Shree Umiya Enterprise		**27,476**	-
Shree Umiya Transport		**23,519**	-
Tycoon Earth Works		**112,080**	-
Umiya Steel & Pipe		**32,340**	-
	TOTAL	**825,279**	90,000
Grouping 9: Security Deposits			
Nandni Construction - S.D.		**86,695**	-
Ronak Construction - S.D.		**1,406**	-
Sarvoday Construction - SD		-	-
	TOTAL	**88,101**	-

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

NEPTUNE INFRASTRUCTURE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Amount in ₹

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
A. CASH FLOW FROM OPERATIONS		
Net Loss before Tax and Extra Ordinary Items Adjusted For	**(178,297)**	(188,633)
Cash flow from operations before working capital changes	**(178,297)**	(188,633)
(Increase)/Decrease in Inventories	**(9,862,611)**	(4,664,753)
(Increase)/Decrease in Advances	**-**	1,667,089
Increase/(Decrease) in Current Liabilities	**(64,526,701)**	(22,820,823)
	(74,389,312)	(25,818,487)
Cash flow from operations after working capital changes	**(74,567,609)**	(26,007,120)
Direct Taxes Paid (Net of Refunds)	**-**	1,352,445
Net cash flow from operating activities	**(74,567,609)**	(24,654,675)
B. CASH FLOW FROM INVESTMENT ACTIVITIES	**-**	-
Net cash flow from investing activities	**-**	-
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Interest Paid - (Capitalised)	**(60,373,781)**	(52,474,140)
Increase in Borrowings	**131,533,936**	80,420,669
Net cash flow from financing activities	**71,160,155**	27,946,529
Net increase/(decrease) in cash and cash equivalents	**(3,407,454)**	3,291,854
Cash and Cash Equivalents at Beginning of the year	**3,528,189**	236,335
Cash and Cash Equivalents at End of the year	**120,735**	3,528,189

Notes:-

1 The above Cash flow statement has been prepared under the " Indirect Method" set out in Accounting Standard-3 on Cash Flow Statement.

2 Cash and Cash Equivalents comprise of:

Cash on Hand	**4,150**	175,550
Balance With Scheduled Banks :		
i) In Current Accounts	**116,585**	3,352,639
	120,735	3,528,189

For K. C. Mehta & Co.
Chartered Accountants

Neela R. Shah
Partner
Membership No. 45027
Place : Vadodara
Date : 5th September, 2017

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

For Neptune Infrastructure

Niral K. Patel — **Partner**

Amish K. Patel — **Partner**

Place : Vadodara
Date : 5th September, 2017

NEPTUNE INFRASTRUCTURE

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: 4 FIXED ASSETS

(Amount in ₹)

Particulars	Rate %	OPENING WRITTEN DOWN VALUE					DEPRECIATION				CLOSING WRITTEN DOWN VALUE	
	As per Income Tax	As At 1st April 2016	Additions during the year		Adjustment/ Deduction during the year	As at 31st March, 2017	On Opening Balance	On Addition during the year		For the year	As at 31st March, 2017	As at 31st March, 2016
			More than 180 Days	Up to 180 Days				More than 180 Days	Up to 180 Days			
Air Conditioner & Ref.	15%	46,945	-	-	-	46,945	7,042	-	-	7,042	**39,903**	46,945
D.G.SET	15%	131,393	-	-	-	131,393	19,709	-	-	19,709	**111,684**	131,393
Furniture & Fixture	10%	19,410	-	-	-	19,410	1,941	-	-	1,941	**17,469**	19,410
Office Equipment	15%	16,956	-	-	-	16,956	2,543	-	-	2,543	**14,413**	16,956
Computer	60%	302	-	-	-	302	181	-	-	181	**121**	302
Total		**215,006**	**-**	**-**	**-**	**215,006**	**31,416**	**-**	**-**	**31,416**	**183,590**	215,006
Previous year		252,080	-	-	-	252,080	37,074	-	-	37,074	215,006	-

K. C. MEHTA & CO. • VADODARA • CHARTERED ACCOUNTANTS

NEPTUNE INFRASTRUCTURE

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT

Annexure "A" Related Party disclosure is given as under:

Name of Related Parties	Nature of Relationship
Neptune Realty Private Limited	Partner having significant influence
Niral K. Patel	Key Management Personnel
Krupesh N. Patel	Relative of Key Management Personnel
Navin N. Patel	Relative of Key Management Personnel
Neptune Infraspace Private Limited	Enterprise in which Partners have significant influence
Atlanta Electricals Private Limited	Enterprise in which Partners have significant influence

Amount in ₹

Particulars	Key Managerial personnel	Relative of Key Managerial Personnel	Enterprise in which Partners have significant influence	Partner having significant influence	Total
Transaction During the year					
Loan received (Including interest)	-	-	-	**236,288,343**	**236,288,343**
	-	-	-	(377,595,693)	(377,595,693)
- Neptune Realty Private Limited	-	-	-	**236,288,343**	**236,288,343**
	-	-	-	(377,595,693)	(377,595,693)
Loan repaid	-	-	-	**101,300,000**	**101,300,000**
	-	-	-	(306,815,450)	(306,815,450)
- Neptune Realty Private Limited	-	-	-	**101,300,000**	**101,300,000**
	-	-	-	(306,815,450)	(306,815,450)
Payment made on behalf of the firm by	-	-	-	**109,612**	**109,612**
	-	-	-	(19,960)	(19,960)
- Neptune Realty Private Limited	-	-	-	**109,612**	**109,612**
	-	-	-	(19,960)	(19,960)
Securities given for Term Loan/ Overdraft on behalf of the firm by	-	-	**255,134,929**	-	**255,134,929**
	-	-	(371,515,376)	-	(371,515,376)
-Atlanta Electricals Private Limited	-	-	-	-	-
	-	-	(60,000,000)	-	(60,000,000)
-Neptune Infraspace Private Limited	-	-	**255,134,929**	-	**255,134,929**
	-	-	(311,515,376)	-	(311,515,376)
Guarantee given by the firm on behalf of	-	-	-	-	-
	-	-	(500,000,000)	-	(500,000,000)
-Neptune Infraspace Private Limited	-	-	-	-	-
	-	-	(500,000,000)	-	(500,000,000)
Interest paid	-	-	-	**21,764,451**	**21,764,451**
	-	-	-	(11,362,343)	(11,362,343)
- Neptune Realty Private Limited	-	-	-	**21,764,451**	**21,764,451**
	-	-	-	(11,362,343)	(11,362,343)
Balances as at 31st March,2017					
Loan Payable (Including Interest)	-	-	-	**298,919,811**	**298,919,811**
	-	-	-	(163,821,856)	(163,821,856)
- Neptune Realty Private Limited	-	-	-	**298,919,811**	**298,919,811**
	-	-	-	(163,821,856)	(163,821,856)
Outstanding Securities given on behalf of the firm by	-	-	**255,134,929**	-	**255,134,929**
	-	-	(371,515,376)	-	(371,515,376)
-Atlanta Electricals Private Limited	-	-	-	-	-
	-	-	(60,000,000)	-	(60,000,000)
-Neptune Infraspace Private Limited	-	-	**255,134,929**	-	**255,134,929**
	-	-	(311,515,376)	-	(311,515,376)
Outstanding Guarantee given by the firm on behalf of	-	-	-	-	-
	-	-	(500,000,000)	-	(500,000,000)
-Neptune Infraspace Private Limited	-	-	-	-	-
	-	-	(500,000,000)	-	(500,000,000)

NEPTUNE INFRASTRUCTURE

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the applicable accounting standards.

2. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Differences between the actual results and the estimates are recognised in the period in which the same are known/materialised.

3. Revenue Recognition:

Revenue from sale of land is recognised when the significant risk and rewards in respect of ownership are transferred by the firm.

Other income is recognized on accrual basis except when realisation of such income is uncertain.

4. Fixed Assets:

Fixed Assets are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalized until the asset are ready for use and include financial cost relating to any borrowing attributable to acquisition. Capital work in progress includes the cost of fixed assets that are not yet ready for the intended use.

5. Depreciation:

Depreciation is charged on written down value method as per the rates and the manner prescribed under the Income Tax Act, 1961.

6. Inventories:

In respect of property development activity, direct costs are debited which are incurred during the year. Cost includes land, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

7. Borrowing Cost:

Borrowing costs which have direct nexus and are directly attributable to the construction of a qualifying asset are charged to the cost of that asset and other interest cost are expensed as period costs. Borrowing costs are attributable to property development activity are added to inventories till the completion of the project.

K. C. MEHTA & CO.
VADODARA
CHARTERED ACCOUNTANTS

8. Taxes on Income:

i) Current Tax:

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

ii) Deferred Tax:

Deferred tax assets and liabilities are recognized on timing differences, being the differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each balance sheet date for their realisability.

9. Impairment of Assets

The firm assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, firm 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 carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & 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.

10. Provisions, Contingent Liabilities and Contingent assets:

The firm 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed.

K. C. MEHTA & CO. VADODARA CHARTERED ACCOUNTANTS

B. NOTES TO ACCOUNTS:

1. **Contingent Liability:**
   a) The Firm has given guarantee on its behalf to an enterprise where partners have significant influence, ₹ **Nil** (Previous year ₹50,00,00,000).
   b) Income Tax demand of TDS **₹6,77,660**

2. During the year, entire borrowing cost has been capitalized as inventory.

3. The firm is in the process of identifying the suppliers, if any, covered under the Micro and Small enterprise as defined under Micro, Small and Medium Enterprise Development Act, 2006. Due to non-availability of data, the details required have not been furnished.

4. There are no deferred tax assets/liabilities arising out of significant timing differences as on 31/03/2017.

5. The operation of the firm is limited to one segment only, namely, real estate development.

6. **Related Party Disclosures:**
   Disclosures as required by Accounting Standard -18 are as per Annexure "A" attached herewith.

7. The value of realisation of Current Assets, Loans and Advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

8. The balances of Creditors are subject to adjustments, if any, on reconciliation / settlement.

9. Figures of the previous year have been regrouped, rearranged and reclassified wherever necessary.

For K. C. Mehta & Co.		**For Neptune Infrastructure**	
Chartered Accountants			
Neela R. Shah		**Niral K. Patel**	**Amish K. Patel**
Partner		**Partner**	**Partner**
Membership No. 45027			
Place: Vadodara		**Place: Vadodara**	
Date: 5th September, 2017		**Date: 5th September, 2017**	