SHREE PARTH INFRACORP LIMITED

(CIN: U45200GJ2011PLC068003)
1208-1209, ROYAL TRADE CENTRE, OPP, STAR BAZAAR,
ADAJAN-PAL ROAD, SURAT-395009 (Gujarat)

TAX AUDIT REPORT
FOR THE YEAR ENDED 31ST MARCH 2017
(F.Y. 2016-17)

AUDITORS

M/s SBMG & CO.
Chartered Accountants

:: :: OFFICE ADDRESS :: ::
2002, Rathi Palace, Ring Road, Surat - 395002 (Guj)
Ph: 0261 - 3135668 Email: sbmgandco@gmail.com

TO
THE MEMBERS OF
SHREE PARTH INFRACORP LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SHREE PARTH INFRACORP LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information,

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 the 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we enclose in the "**Annexure B**" a statement on matters specified in paragraph 3 & 4 of the said order.

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 purposes 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone 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. The financial statements of the Company have been prepared on a going concern basis.

f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2)of the Act.

g. With respect to the adequacy of the **internal financial controls** over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

h. With respect to the other matters to be included in the Auditor's 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 explanations given to us:

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i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii There has been no delay in transferring amounts, if any required to be transferred, to the Investor Education and Protection Fund by the Company.

i. Disclosure of Specified Bank Notes during demonitiazation from 08/11/2016 to 30/12/2016

PARTICULARS	SBNS	OTHER DENOMINATION NOTES	TOTAL
Closing Cash on hand as on 08/11/2016		100x22400,50x3000,10x8,5x1	2390085.00
Add: Permitted Receipts		2000x25	50000.00
Less: Permitted Payments		100x450,50x76,10x1,5x1	48815.00
Amount deposited in bank		Nil	Nil
Closing cash in hand as on 30/12/2016		2000x25,100x21950,50x2924, 10x7	2391270.00

For SBMG & Co
Chartered Accountants
(FRN: 127756W)

CA Sumit Bihani, Partner
M No. - 121551

Place: Surat

Date: 03rd July 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of (the "Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures

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that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For SBMG & Co
Chartered Accountants
(FRN: 127756W)

Sumit

CA Sumit Bihani, Partner
M No. - 121551

Place: Surat

Date: 03rd July 2017

ANNEXURE B– Report under the Companies (Auditor's Report) Order, 2016

Referred to in of our report of even date

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: –

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c). The company does have immoveable property and the title deeds of immoveable properties are held in the name of the company.

2. As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material. (The discrepancies have been properly dealt with in the books of accounts)

3. As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

4. The company has not given any loans, investments, guarantees and security during the year.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable . No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6. It has been explained to us that the cost records as prescribed under section 148(1) of the Act has been duly maintained by the company.

7 (a) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.

SBMG & CO. SURAT Chartered Accountants

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.

9. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument). The Company has also not raised moneys by way of term loan from any financial institution.

10. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.

11. The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. The company is not a Nidhi Company hence this clause is not applicable.

13. Based upon the audit procedures performed and according to the information and explanations given to us, All transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.

14. The company has not made any private placement of shares during the year under review.

15. The company has not entered into any non-cash transactions with directors or persons connected with him.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SBMG & Co
Chartered Accountants
(FRN: 127756W)

Sumit Bihani

CA Sumit Bihani, Partner
M No.: 121551

Place: Surat

Date: 03rd July 2017

SHREE PARTH INFRACORP LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		(Amount In ₹)	(Amount In ₹)
I. EQUITY AND LIABILITIES			
SHAREHOLDER'S FUND			
(a) Share Capital	1	59,002,000.00	59,002,000.00
(b) Reserves and Surplus	2	2,479,557.07	9,417,523.44
Share application money pending allotment		-	-
NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	3	30,113,477.80	16,315,543.10
(b) Deferred Tax Liabilities (Net)	4	(363,813.00)	(261,610.00)
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
CURRENT LIABILITIES			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	5	3,251,051.00	13,056,676.00
(c) Short-Term Provisions	6	373,560.00	3,959,336.00
(d) Other Current Liabilities	7	120,790.00	57,750.00
TOTAL		**94,976,622.87**	**101,547,218.54**
II. ASSETS			
NON CURRENT ASSETS			
(a) Fixed Assets			
Tangible Assets	8	2,271,740.00	3,218,630.00
Intangible Assets		-	-
Capital Work in Progess		-	-
Intangible Assets under Development		-	-
(b) Non-current Investments		-	-
(c) Long term Loans and Advances		-	-
(d) Other Non-current Assets		-	-
CURRENT ASSETS			
(a) Current Investments		-	-
(b) Inventories	9	71,926,194.00	52,978,140.00
(c) Trade Receivables	10	17,578,101.52	40,723,635.52
(d) Cash and Cash Equivalents	11	2,713,684.35	4,034,283.02
(e) Short-Term Loans and Advances	12	486,903.00	422,457.00
(f) Other Current Assets	13	-	170,073.00
TOTAL		**94,976,622.87**	**101,547,218.54**

NOTES ON ACCOUNTS & ACCOUNTING POLICIES :

In terms of our audit report of even date

For SBMG & Co.
Chartered Accountants
FRN 127756W

SURAT

Sumit Bihani, Partner
M No 121551

Place: Surat
Date: 03-July-2017

For Shree Parth Infracorp Limited

P.A
A P
R A

Directors

Director
Directors

SHREE PARTH INFRACORP LIMITED

STATEMENT OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31st MARCH, 2017

	Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
			(Amount In ₹)	(Amount In ₹)
i.	Revenue from Operations	14	-	13,053,915.00
ii.	Other Income		10,007.00	74,345.00
	TOTAL REVENUE		10,007.00	13,128,260.00
iii.	*Expenses:*			
	Cost of Materials Consumed		-	4,523,391.00
	- Purchases of Stock in Trade	15	18,948,054.00	48,106,342.00
	- Change in Inventories (WIP)	16	18,948,054.00	43,582,951.00
	Employee benefit expense	17	3,422,243.00	3,482,983.00
	Financial costs	18	1,927,803.70	1,130,777.90
	Depreciation and other amortized expenses	19	1,129,463.00	1,564,771.00
	Other Expenses	20	570,666.67	1,167,732.53
	TOTAL EXPENSES		7,050,176.37	11,869,655.43
iv.	Profit before exceptional & extraordinary items & tax		(7,040,169.37)	1,258,604.57
v.	Exceptional Items		-	-
vi.	Profit before extraordinary items and tax		(7,040,169.37)	1,258,604.57
vii.	Extraordinary Items		-	-
viii.	Profit before tax		(7,040,169.37)	1,258,604.57
ix.	Tax expense:			
	Current tax	21	-	650,674.00
	Deferred tax	4	(102,203.00)	(198,974.00)
	Profit (Loss) from continuing operations		(6,937,966.37)	806,904.57
	Profit/(Loss) from discontinuing operations		-	-
	Tax expense of discounting operations		-	-
	Profit/(Loss) from Discontinuing operations		-	-
	Profit/(Loss) for the period		(6,937,966.37)	806,904.57
	Earning per equity share:	22		-
	Basic		(1.18)	0.14
	Diluted		(1.18)	0.14

NOTES ON ACCOUNTS & ACCOUNTING POLICIES :

In terms of our audit report of even date
For SBMG & Co.
Chartered Accountants
FRN 127756W

SBMG & Co. SURAT Chartered Accountants

Sumit Bihani, Partner
M No 121551

For Shree Parth Infracorp Limited

For Shree Parth Infracorp Limited

Director

Directors

Place: Surat
Date: 03-July-2017

SHREE PARTH INFRACORP LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2017

PARTICULARS			AMOUNT
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit as per Profit & Loss Account		(6,937,966.37)	
Add: Depreciation & other amortized expenses	1,129,463.00		
Provision for Tax	(102,203.00)		
Deferred Tax Liabilities	(102,203.00)	925,057.00	
Net Profit before Working Capital Changes		(6,012,909.37)	
Changes in Working Capital			
Changes in Trades Receivables	23,145,534.00		
Changes in Loans & Advances	(64,446.00)		
Changes in Stock-in-Trade	(18,948,054.00)		
Changes in Trade Payable	(9,805,625.00)		
Changes in Other Current Liabilities	(3,483,573.00)		
Changes in Provision	63,040.00	(9,093,124.00)	
Cash Flow from Operations		(15,106,033.37)	
Net Cash used in Operating Activity			(15,106,033.37)
CASH FLOW FROM INVESTING ACTIVITIES			-
Fixed Assets purchase during the year	(12,500.00)		
Net Cash used in Investing Activities		(12,500.00)	(12,500.00)
CASH FLOW FROM FINANCING ACTIVITIES			
Changes in Unsecured Loans	14,540,134.00		
Changes in Secured Loans	(742,199.30)		
Changes in Share Capital	-		
Changes in Reserves and Surplus	-		
Changes in Share Appliction Money	-	13,797,934.70	
Net Cash generated from Financing Activity			13,797,934.70
NET INCREASE IN CASH AND CASH EQUIVALENTS			(1,320,598.67)
Add: CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD			4,034,283.02
CASH AND CASH EQUIVALENTS AT END OF PERIOD			2,713,684.35

In terms of our audit report of even date

For SBMG & Co.
Chartered Accountants
FRNo: 127756W

SBMG & CO. SURAT Chartered Accountants

Sumit Bihani, Partner
M. No. - 121551
Place: Surat
Date: 03-July-2017

For Shree Parth Infracorp Limited

For Shree Parth Infracorp Limited

Rekha P. Moni

Directors

Director

Directors

SHREE PARTH INFRACORP LIMITED
1208-1209, ROYAL TRADE CENTRE, OPP. STARBAZAAR, ADAJAN-PAL ROAD, SURAT – 395009 (GUJ)

SIGNIFICANT ACCOUNTING POLICIES

1. **BASIS OF ACCOUNTING:**

   The accompanying financial statements have been prepared under historical cost convention on an accrual basis of accounting, on a going concern assumption, and is in accordance with the generally accepted accounting principles and the applicable accounting standards issued by the Institute of Chartered Accountants of India, and referred to in Section 211 (3C) of the Companies Act, 1956, as regularly followed by the Company.

2. **USE OF ESTIMATES:**

   The preparation of financial statements require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialize.

3. **FIXED ASSETS:**

   Fixed assets are stated at cost which includes price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use as reduced by any part of the cost reimbursed by Government or otherwise by way of any concession, credits, Cenvat reduction in price, discount etc. or otherwise, at the time of purchase or otherwise subsequently less accumulated depreciation.

4. **IMPAIRMENT OF ASSETS:**

   The carrying value of assets at each balance sheet date is reviewed for impairment. If any indication of such impairment exists, the recoverable amount of those assets is estimated and impairment is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting future cash flows to their present value based on appropriate discount factor. When there is indication as at each balance sheet date, that an impairment loss recognised for asset in prior accounting year no longer exists or may have decreased such reversal of impairment loss is recognised.

5. **INVESTMENTS:**

   Investments are classified into Current and Long-term Investments. Current Investments are stated at lower of cost and fair value. Long-term Investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of Long-term Investments. However, fixed income long term securities are stated at cost, less amortisation of premium/ discount and provisionfor diminution to recognise a decline, other than temporary.

6. **BAD AND DOUBTFUL DEBTS:**

   Provisioning policies for Bad & doubtful Debts / Writing Off, the company examines all debtors accounts continuously and identifies debtors facing difficulties & those who could fail to meet financial commitments to the company, in the previous 12 months. For each of such debtors, the company ceases to accrue future incomes & writes off the entire capital outstanding and accrued expenses

7. PRELIMINARY & PRE OPERATIVE EXPENSES:

SURAT

Chartered Accountants

For Shree Parth Infracorp Limited

Director

Preliminary expenditure is amortised over a period of 5 years from the year of commencement of operation.

8. EMPLOYEE BENEFITS:

a) Short Term Employee Benefits like leave benefit are paid along with salary & wages on a month to month basis.,
b) Bonus to employees are charged to profit & loss account, on the basis of actual payment on year to year basis.

9. TAXES ON INCOME:

Current Tax is determined as the amount of tax payable in the respect of taxable income for the year in accordance with the Income Tax Act.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations as at the balance sheet date.

Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient taxable income will be available in future, against which the deferred tax assets can be realized; however where there is unabsorbed depreciation and carried forward losses, deferred tax assets is created only if there is virtual certainty of realisation of assets

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

10. BORROWING COSTS:

a) Borrowing Costs incurred on Working Capital is charged off to profit & loss account.
b) In accordance with the requirement of Accounting Standard 16 on "Borrowing Cost" issued by the institute of chartered accountants of India, Borrowing Costs that are attributable to qualifying assets are capitalised till the date of substantial completion of the activities necessary to prepare the relevant assets for its intended use.

11. PROVISIONS/ CONTINGENCIES:

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.
No provision has been made for liabilities which are contingent in nature but if material, these are disclosed by way of note.

12. ACCOUNTING FOR REVENUE FROM "CONSTRUCTION ACTIVITY":

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For Shree Parth Infracorp Limited

Director

Revenue/ Income from "Long Term Construction Contract" is recognised as revenue, in accordance with the requirement of Accounting Standard 7 (AS-7) on "Construction Contracts" issued by the Institute of Chartered Accountants of India, with reference to the stage of completion of the particular contract, as at the reporting date.

Determination of "Stage of Completion" for "Revenue Recognition" in accordance with AS-7:

Stage of Completion of a particular project is determined on the basis of the survey of project conducted by the consultant engineer and on the basis of completion certificate obtained from him as on reporting date.

Same revenue is disclosed as receivable on account of work performed during the year as shown under the head Sundry Receivable in the name of contractee Differential/ Provisional Receivables on account of, such revenue recognised in accordance with the above mentioned policy is being disclosed as "Revenue Recognisable (As per AS 7)" under the heads "Sundry Debtors" in the name of contractee i.e. M/s Adity corporation as the same is being recognisable on account of sales booked as per provisions of AS 7.

For Shree Parth Infracorp Limited

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

1 SHARE CAPITAL

(Amount in ₹)

	As At 31-Mar-2017	As At 31-Mar-2016
Authorised Share Capital		
70,000,000 Equity Shares of ₹ 10 each	70,000,000.00	70,000,000.00
	70,000,000.00	70,000,000.00
Issued, Subscribed and Paid Up:		
5,900,200 Equity Shares of ₹ 10 each Fully paid up	59,002,000.00	59,002,000.00
	59,002,000.00	59,002,000.00

1.1 Shareholder having More than 5% holding in share Capital

Name of Shareholder	As At 31-Mar-2017		As At 31-Mar-2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Pravinbhai Anandbhai Kheni	1,825,000	30.93	1,825,000	30.93
Rekhaben Pravinbhai Kheni	1,175,000	19.91	1,175,000	19.91
Pravinbhai Anandbhai Kheni - HUF	900,000	15.25	900,000	15.25
Parth Pravinbhai Kheni	1,000,000	16.95	1,000,000	16.95
Tithi Pravinbhai Kheni	1,000,000	16.95	1,000,000	16.95

1.2 Reconciliation of Number of Shares outstanding is set out:

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Equity Shares at the beginning of the year	5,900,200	5,900,200
Shares issued during the year	-	-
Equity Shares at the end of the year	5,900,200	5,900,200

2 RESERVE & SURPLUS

(Amount in ₹)

	As At 31-Mar-2017	As At 31-Mar-2016
<u>Profit & Loss Account</u>		
As per last Balance Sheet	9,417,523.44	8,502,039.87
Add: Excess Tax Provision made Previous Year		108,579.00
Add: Profit for the year	(6,937,966.37)	806,904.57
	2,479,557.07	9,417,523.44

3 LONG-TERM BORROWINGS

(Amount in ₹)

	As At 31-Mar-2017	As At 31-Mar-2016
<u>1.) Secured Loans</u>		
From Bank		
-ICICI Bank Ltd.-Car Loan	2,028,963.80	2,771,163.10
<u>1.) Unsecured Loans</u>		
From Others		
-Pravinbhai A. Kheni	28,084,514.00	13,544,380.00
	30,113,477.80	16,315,543.10

3.1 Secured Loan is charged against Mercedes Car

3.2 Interest paid on Unsecured Loan @12%.

S.B.M.G. & CO. SURAT Chartered Accountants

For Shree Parth Infracorp Limited

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

4 DEFERRED TAX LIABILITY (Net) (Amount in ₹)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Deferred Tax Liability /(Asset)		
Depreciation as per Income Tax Act	628,636.00	750,768.00
Depreciation as per Books	959,390.00	1,394,698.00
Difference	(330,754.00)	(643,930.00)
Deferred Tax Liability/ (Asset)	**(102,203.00)**	**(198,974.00)**
Add: Opening Balance	(261,610.00)	(62,636.00)
Net Deferred Tax Liability	**(363,813.00)**	**(261,610.00)**

4.1 Deferred tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

4.2 The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

4.3 Deferred tax assets/liabilities are reviewed at each balance sheet date.

5 TRADE PAYABLES (Amount in ₹)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Creditors for Goods (as per grouping)	135,555.00	4,873,388.00
Creditors for Expenses (as per grouping)	3,115,496.00	8,183,288.00
	3,251,051.00	**13,056,676.00**

6 SHORT-TERM PROVISIONS (Amount in ₹)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Income Tax Provision	-	650,674.00
ESIC Payable	1,485.00	-
Tds payable	294,986.00	279,428.00
Vat payable	-	271,321.00
Service Tax Payable	77,089.00	2,687,298.00
Service Tax Interest Payable	-	49,990.00
Tds Interest Payable	-	19,600.00
Vat Interest Payable	-	1,025.00
	373,560.00	**3,959,336.00**

7 OTHER CURRENT LIABILITIES (Amount in ₹)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
SBMG & Co.	73,990.00	36,750.00
CS. Pradeep Dave	24,800.00	10,000.00
Fourth Dimension Service Solutions	22,000.00	11,000.00
	120,790.00	**57,750.00**

SBMG & CO. SURAT Chartered Accountants

For Shree Parth Infracorp Limited

Director

SHREE PARTH INFRACORP LIMITED

8. FIXED ASSETS

(Amt. in ₹)

Particulars	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 1-Apr-2016	Additions/ (Deletion)	As at 31-Mar-2017	As On 1-Apr-2016	Additions	Upto 31-Mar-2017	As at 31-Mar-2017	As at 31-Mar-2016
Car	31.23%	4,962,376.00	-	4,962,376.00	2,196,852.00	863,673.00	3,060,525.00	1,901,851.00	2,765,524.00
Generator	18.10%	620,000.00	-	620,000.00	192,545.00	77,369.00	269,914.00	350,086.00	427,455.00
Laptop	63.16%	64,900.00	-	64,900.00	45,542.00	12,227.00	57,769.00	7,131.00	19,358.00
Refrigrator	63.16%	13,000.00	-	13,000.00	11,596.00	887.00	12,483.00	517.00	1,404.00
Printer	63.16%	-	12,500.00	12,500.00	-	5,234.00	5,234.00	7,266.00	-
Software	0.00%	100,000.00	-	100,000.00	97,631.00	-	97,631.00	2,369.00	2,369.00
Software	77.64%	100,000.00	-	100,000.00	97,480.00	-	97,480.00	2,520.00	2,520.00
TOTAL		5,860,276.00	12,500.00	5,872,776.00	2,641,646.00	959,390.00	3,601,036.00	2,271,740.00	3,218,630.00
PREVIOUS YEAR		5,860,276.00		5,860,276.00	1,246,948.00	1,394,698.00	2,641,646.00	3,218,630.00	4,613,328.00

For Shree Parth Infracorp Limited

Directors

For Shree Parth Infracorp Limited

x
x Rekha P. Kloni.
x

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

9 Inventories

(Amount in ₹)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Work-In-Progress	71,926,194.00	52,978,140.00
	71,926,194.00	52,978,140.00

9.1 Company has entered into new construction contract during F.Y. 2015-16 for constructiion project of " MEGA ROYAL" and Estimated project construction area is 262816 sq.ft. The aforesaid project is at very basic stage as on 31st March 2016.

9.2 As per Para 5.3 of " Guidance Note on Accounting for Real Estate Transactions (Revised 2012), issued by ICAI, revenue from a project should be recognised under the percentage completion method only when the events stated in sub Para (a) to (d) of that Para is Completed. Since these events are not being fulfilled as on the date of balance sheet, no revenue is recognised for F.Y. - 2015-16 from the project "MEGA ROYAL" and henceforth all the expenditure incurred with respect to the project had been transferred to Work in Progress for F.Y. - 2015-16. Revenue will be recognised from the project during the financial year when the conditions stated in the Guidance note will be fulfilled by the company.

10 TRADE RECEIVABLES

Unsecured & Considered Good

(Amount in ₹)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Over Six Months		
Others		
- Revenue recognized as per "AS-7"		
Opening Balance	-	102,109,429.00
Add: Revenue reconized for current year	-	13,053,915.00
Less: Invoice Issued		115,163,344.00
Closing Balance	-	-
- Shri Aditya Corporation	17,578,101.52	40,723,635.52
	17,578,101.52	40,723,635.52

10.1 The debtor classified as Revenue Recognized is estimated debtor as per AS-7 as stated in Note no. 12, Whereby estimated sale is calculated to ₹. 13,053,915.00 and tds of ₹. 261,080.00 has been deducted from the same.

11 CASH & CASH EQUIVALENTS

(Amount in ₹)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Cash on hand	2,340,414.00	3,502,162.00
Bank Balance	373,270.35	532,121.02
	2,713,684.35	4,034,283.02

12 SHORT-TERM LOANS & ADVANCES

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Tds receivable	-	261,080.00
Income Tax Recivable	3,506.00	
Prepaid Insurance	102,079.00	108,477.00
Service Tax Receivable	312,166.00	-
Vat Deposit	10,000.00	10,000.00
Other Advances (As per Grouping)	59,152.00	42,900.00
	486,903.00	422,457.00

SBMG & Co. Chartered Accountants SURAT

For Shree Parth Infracorp Limited

Rekha. P. Kloni.

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

12.1 In the opinion of the Board Current Assets, Loans and Advances (including Capital Advances) have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated.
The accounts of certain Sundry Debtors, Sundry Creditors, Advances and Lenders are subject to confirmation / reconciliation and adjustments, if any. The management does not expect any material difference affecting the current years financial statements.

13 OTHER CURRENT ASSETS (Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Preliminary Expenses		
Opening Balance	170,073.00	340,146.00
Less: Written off	(170,073.00)	(170,073.00)
Closing Balance	-	170,073.00

SBMG & CO. SURAT Chartered Accountants

For Shree Parth Infracorp Limited

Rekha. P. Koshi.
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Director

SHREE PARTH INFRACORP LIMITED
1208-1209, Royal Trade Centre, Opp. Star Bazaar, Adajan-Pal Road, Surat-395009 (Gujarat)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

14 REVENUE FROM OPERATIONS

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Revenue recognized as per AS-7	-	13,053,915.00
	-	13,053,915.00

15 Purchase

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Purchase of Material	12,306,128.00	30,943,286.00
Construction Exp.	6,641,926.00	17,163,056.00
	18,948,054.00	48,106,342.00

16 Change in Inventories

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Closing Stock of Inventories (WIP)	71,926,194.00	52,978,140.00
Less:- Opening Stock of Inventories (WIP)	52,978,140.00	9,395,189.00
	18,948,054.00	43,582,951.00

17 EMPLOYEE BENEFIT EXPENSES

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Director Remuneration	1,200,000.00	1,200,000.00
Salary Exp.	2,208,896.00	2,219,579.00
Contribution to Provident and other fund	13,347.00	8,721.00
Staff Welfare Exp.	-	54,683.00
	3,422,243.00	3,482,983.00

18 FINANCIAL COST

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Interest on Income Tax	-	50,649.00
Interest on Unsecured Loan	-	632,666.00
Interest on Car Loan	246,084.70	317,082.90
Interest on Service Tax Late Payment	12,730.00	109,736.00
Interest on TDS Late Payment	13,285.00	19,619.00
Interest Expense	1,655,704.00	-
Interest on Vat Late Payment	-	1,025.00
	1,927,803.70	1,130,777.90

SBMG & CO. SURAT Chartered Acc...

For Shree Parth Infracorp Limited

Rekha P. Kheni.

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

19 DEPRECIATION & AMORTIZATION EXPS.

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Depreciation	959,390.00	1,394,698.00
Preliminary Exps.	170,073.00	170,073.00
	1,129,463.00	1,564,771.00

19.1 Depreciation has been provided on WDV method as per Schedule XIV of the Companies Act, 1956. The Amount of Depreciation provided during the year is as per **note no 8** above.

20 OTHER EXPENSES

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Advertisement Exp.	-	45,000.00
Audit Fees	35,350.00	40,250.00
Bank Charges	1,027.67	795.38
Donation	5,100.00	5,100.00
Consultancy Fees	36,360.00	-
Electricity Exp.	186,051.00	48,031.00
Insurance Exp.	195,284.00	170,347.00
Legal Fees	21,000.00	35,000.00
Office Exp.	-	85,684.00
Professional Fees	1,000.00	-
ROC Exp.	29,800.00	10,000.00
Rent Exp.	10,000.00	-
Service Tax	10,894.00	169,776.00
Service Tax Penalty	7,200.00	2,400.00
Vat Exp	5,300.00	443,221.00
Stationary & Printing Exp.	-	37,923.00
Telephone Exp.	-	39,110.00
Vat Audit Fees	10,000.00	10,000.00
Vatav & Kasar	-	4.15
Web appliction & Development Exp.	16,300.00	25,091.00
TOTAL	570,666.67	1,167,732.53

20.1 Auditor's Remuneration

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
For Statutory Audit	35,350.00	40,250.00
	35,350.00	40,250.00

21 PROVISION FOR TAX

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Provision for current year	-	650,674.00
	-	650,674.00

SBMG & CO. SURAT Chartered Accountants

For Shree Parth Infracorp Limited

Rekha. P. Kdeni.

Director

SHREE PARTH INFRACORP LIMITED
GROUPINGS TO THE BALANCE SHEET AS ON 31-03-2017

(Amount In ₹)

PARTICULARS	AMOUNT
1 ISSUED, SUBSCRIBED & PAID UP CAPITAL	
Pravin Bhai Kheni	18,250,000.00
Rekhaben Kheni	11,750,000.00
Pravin Bhai Kheni - HUF	9,000,000.00
Parth Pravinbhai Kheni	10,000,000.00
Tithi Pravinbhai Kheni	10,000,000.00
Maganbhai Dhanjibhai Vaghela	1,000.00
Savitaben Parshottambhai Baraiya	1,000.00
	59,002,000.00
2 SUNDRY CREDITORS FOR GOODS	
Nilkanth Sales Corp.	57,978.00
Shrawan Mines	77,577.00
	135,555.00
3 SUNDRY CREDITORS FOR EXPENSES	
Anjana Pravinbhai Patel	15,500.00
Amber Dharewa	20,000.00
Amar Rajubhai Parmar	15,500.00
APC Transport	238,000.00
ASB Bricks	67,200.00
Hare Krishna Carting	13,273.00
Hitendra Nagarbhai Patel	15,500.00
Jay Roadways	64,612.00
Mata Infra	100,375.00
Mukesh K Kheni	265,000.00
Nikunj Pravinbhai Jani	20,000.00
Pravinbhai A. Kheni-Remuneration	1,095,000.00
Raghavjibhai V Patel	15,500.00
Shree Gopal Enterprise	13,989.00
Shree Sainath Crating	451,093.00
Sudhir Vallabhbhai Baldaniya	625,774.00
Vinaben Mukeshbhai Kheni	79,180.00
	3,115,496.00
4 OTHER ADVANCES	
J. K. Lakshmi Cement Ltd.	13,012.00
Sohail & Co.	3,240.00
Surat Developers Association	41,000.00
Trinetra Cements Ltd.	1,900.00
	59,152.00

SBMG & CO. * SURAT * Chartered Accountants

For Shree Parth Infracorp Limited

For Shree Parth Infracorp Limited

Rekha. P. Kheni

Directors

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

26 The details of status of suppliers whether SSI or Otherwise are not available to the company, hence due / payable to creditors are not separately given as required under the Companies Act. The information regarding the suppliers, whether they are registered with the authority specified under the Micro, Small & Medium enterprises Development Act, 2006 is not available with the auditee. Hence, we wre unable to calculate the amount of interest paid or payable to them U/S 23of the Act.

27 FOREIGN CURRENCY TRANSACTION

During the year, no foreign exchange transactions (inflows and outflows) were entered in by the company.

28 The figures of the previous year have been rearranged/ regrouped/ reclassified wherever necessary.

In terms of our audit report of even date
For M/s SBMG & CO.
Chartered Accountants
FRN 127756W

SBMG & CO. * SURAT * Chartered Accountants

Sumit Bihari

Sumit Bihari Kabra
M No 121551

Place: Surat
Date: 03-July-2017

For Shree Parth Infracorp Limited

Director **Director**

For Shree Parth Infracorp Limited

Rekha P. Soni. **Director**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

22 EARNING PER SHARE

(Amount in ₹.)

Particulars	As At 31-Mar-2017	As At 31-Mar-2016
Profit available for appropriation to equity shareholders	(6,937,966.37)	806,904.57
Weighted Average number of equity shares	5,900,200	5,900,200
Basic & Diluted Earning per equity shares	(1.18)	0.14
Face Value per equity share	10	10

22.1 Profits available for appropriation has been taken to be "Net Profit" as reported in the profit & loss account after taxes.

22.2 "Weighted Average Number of Shares" has been calculated taking into consideration, the weights for period for which the equity shares was issued and outstanding throughout the period of financial statement.

23 SEGMENT REPORTING

In view of Accounting Standard 17 " Segment Reporting" issued by the Institute of Chartered Accountants of India the disclosure in respect of segment information for the year ended 31st March 2017 is not applicable to the company as the company does not deal in varied products/services and hence not exposed to different risks and returns.

Further the company operates in only one geographical area and does not have any branches or any other outlets and hence not exposed to different risks and returns of geographical segmentation.

24 RELATED PARTY DISCLOSURES

In view of Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India the disclosure in respect of related party for the year ended 31st March 2017, is as given below:-

Sr No.	Name of the Party	Relationship
1	Pravinbhai Anandbhai Kheni	Key Managerial Person
2	Rekhaben Pravinbhai Kheni	
3	Rekhaben Anilbhai Viradia	
4	Jayeshbhai Gordhanbhai Kheni	Director's Nephew
4	Thakarshibhai Anandbhai Kheni	Director's Brother
6	M/s. Shri Aditya Corporation	Enterprises over which significant influence is exercised
7	M/s. Nilkanth Sales Corporation	

(Amount in ₹.)

Sr No.	Name of the transaction	Key Managerial Personnel	Directors Relatives	Enterprises over which significant influence is exercised	Total
1	Purchase	-	-	4,572,657.00	4,572,657.00
2	Labour Charges	-	100,000.00		100,000.00
3	Interest	1,655,704.00	-		1,655,704.00
4	Salary	-	184,000.00	-	184,000.00
5	Remuneration	1,200,000.00	-	-	1,200,000.00

25 Due to the implementation of provisions of AS-7 in the current financial year, the sales recognised is estimated sale rather than actual sale as already stated in Note No. 14. Henceforth it would be very impractical to compute G.P. Ratio, N.P. Ratio and other applicable ratios have turnover as base considering the estimated sales as per AS 7. Henceforth such ratios have not been computed for the better presentation and interpretation of books of accounts.

SBMG & CO. SURAT * Chartered Accountants *

For Shree Parth Infracorp Limited

Director