BAKERI URBAN DEVELOPMENT PRIVATE LIMITED
CIN : U70100GJ1996PTC030783
Annual Report
Financial Year 2015-16

DIRECTORS' REPORT

To,
The Members,
BAKERI URBAN DEVELOPMENT PRIVATE LIMITED

Your Directors have pleasure in presenting the 20th Annual Report of your company together with theAudited Financial Statements for the year ended 31st March, 2016:

1. **FINANCIAL HIGHLIGHTS :**

The financial results for the year ended 31st March, 2016 and the corresponding figures for the last year are as under :-

(Amount in Rs.)

Particulars	Financial Year 2015-16	Financial Year 2014-15
Revenue from Operations	109,22,75,462	104,54,51,643
Total Expenses	101,65,15,516	102,72,94,930
Profit Before Tax	7,57,98,033	1,92,04,813
Provision For Taxation:		
Current Tax	1,53,00,000	14,00,000
Deferred Tax (AS 22)	(6,90,422)	15,75,642
Profit For The Year	6,11,88,475	1,62,29,171
Surplus Balance c/f from last year	10,89,32,526	9,27,03,356
Transfer to Debenture Redemption Reserve	(4,68,75,000)	-
Balance Carried to Balance Sheet	12,32,46,001	10,89,32,526

2. **RESERVES & SURPLUS:**

During the year, the company has transferred an amount of Rs. 4,68,75,000/- (Previous Year: Rs. Nil) to the Debenture Redemption Reserve.

An amount of Rs.6,11,88,475 is retained as surplus in the Statement of Profit and Loss.

3. STATE OF COMPANY'S AFFAIRS :

During the year under review, your company has received good recognition from customers and associates. Your Directors have pleasure to inform you that the company achieved 11.70% growth in gross revenue from sale of flats and plots which increased from Rs. 95.13 Crores in FY 2014-15 to Rs 106.26 Crores in FY 2015-16. Further, Profit after tax increased from Rs. 1.62 crores for 2014-15 to Rs. 6.12 crores for the year 2015-16.

4. CHANGE IN THE NATURE OF BUSINESS :

During the year under review, there is no change in the nature of the business of the company.

5. SCHEME OF AMALGAMATION:

The petition for the scheme of amalgamation of M/s. Bakeri Southern Urban Development Private Limited, M/s. Peshani Investments Private Limited, M/s. Sanskrut Investments and Consultancy Services Private Limited and M/s. Suyojan Properties Private Limited (collectively referred to as 'Transferor Companies') with M/s. Bakeri Urban Development Private Limited ('the Company') under section 391 to 394 and other relevant provisions of the Companies Act, 1956 has received the sanction of Hon'ble High Court of Gujarat. The Appointed Date of the scheme of amalgamation is 1st April, 2015. The Company has received certified copy of the High Court Order dated 8th February, 2016 on 23rd March, 2016 which has been duly filed with the Registrar of Companies (ROC) in e-Form INC-28. The impact of the scheme of amalgamation has been considered in the financial statements.

6. ISSUE OF NON-CONVERTIBLE DEBENTURES:

The Company has issued 7,500 (Seven Thousand Five Hundred) Listed Redeemable Non-Convertible Unsecured Debentures of face value of Rs. 1,00,000/- (Rupees One Lac only) each, aggregating to Rs. 75,00,00,000/- (Rupees Seventy-five Crores only). The debentures (NCDs) are issued in five tranches ("Debentures") of Rs.15,00,00,000/- each by way of private placement.

NCDs are listed on the Debt Segment of the Bombay Stock Exchange Limited, Mumbai.

7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, BETWEEN BALANCE SHEET DATE AND DATE OF DIRECTORS' REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

8. DIVIDEND:

To strengthen the financial position of the Company, your Directors do not recommend any dividend for this Financial Year.

9. MEETINGS OF THE BOARD:

During the year under review, the Board of Directors met Fourteen (14) times on 5th April, 2015, 3rd June, 2015, 29th August, 2015, 1st September, 2015, 3rd September, 2015, 24th November, 2015, 7th January, 2016, 30th January, 2016, 4th February, 2016, 29th February, 2016, 1st March, 2016, 3rd March, 2016, 4th March, 2016 and 5th March, 2016.

Detailed information on the Board Meetings is as follows:

Name of Director	Category	No. of the Board Meetings held during the year	No. of the Board Meetings attended during the year	Attended Last AGM	No. of Shares held as on 31st March, 2016
Mr. Anil Ratilal Bakeri	Chairman & Executive Director	14	14	Yes	-
Mr. Pavan Anil Bakeri	Executive Director	14	14	No	-
Mr. Asit Natwarlal Somani	Non-Executive Director	14	14	Yes	-
Mr. Nikhil Jagdishchandra Shah	Non-Executive Director	14	14	No	-
Mr. Achal Anil Bakeri	Non-Executive Director	14	2	No	-

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, the Board of Directors was comprising of following Directors viz;

- Mr. Achal Anil Bakeri,
- Mr. Pavan Anil Bakeri,
- Mr. Anil Ratilal Bakeri,
- Mr. Asit Natvarlal Somani and
- Mr. Nikhil Jagdishchandra Shah.

All the directors of the company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

After the Balance Sheet Date:

Pursuant to 2nd Proviso to Clause (1) of Section 149 of the Companies Act, 2013, the Company has appointed Ms. Pavani A Bakeri (having DIN 07599710) as Woman Director with effect from 26th August, 2016, who hold office upto the date of ensuing Annual General Meeting of the Company in respect of whom the company has received a valid notice in writing from the member of the company proposing her candidature as Director of the Company, is recommended for reappointment as Woman Director.

11. AUDITORS :

A. Statutory Auditors and Auditor's Report:

M/s. Shah & Dalal, Chartered Accountants, Ahmedabad (Firm Registration No. 109432W), were appointed as the Statutory Auditors of the Company, to hold the office from the conclusion of the 19th Annual General Meeting to the conclusion of the 24th Annual General Meeting, subject to ratification of the appointment by the members at every subsequent Annual General Meeting. The Company has received the consent from the Auditors and confirmation to the effect that they are not disqualified to be appointed as the Auditors of the Company in the terms of the provisions of the Companies Act, 2013 and the Rules made there under.

Accordingly, the Board of Directors hereby recommends the ratification of appointment of M/s. Shah & Dalal., Chartered Accountants as the Statutory Auditors of the Company to hold the office from the ensuing AGM till the conclusion of the next AGM.

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors' remarks in their report are self-explanatory and do not call for any further comments.

B. Cost Auditors:

Your Company has appointed **M/s Dalwadi & Associates**, Cost Accountants, Ahmedabad (Firm Registration Number 00338), as Cost Auditor of your Company to audit the cost accounts for the financial year 2016-17.

As per Section 148 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s. Dalwadi & Associates, Cost Accountants as the Cost Auditor of your the Company for the financial year 2016-17 . The remuneration proposed to be paid to the Cost Auditors, subject to the ratification by the members at the ensuing Annual General Meeting, would be Rs. 60,000/- (Rupees Sixty Thousands only). The due date for submission of the Cost Audit Report to the Central Government for the financial year 2015-16 is within 180 days from 31st March, 2016 and the same will be submitted to the Central Government in due course..

C. Secretarial Auditors :

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed **M/s. Sonia Kakani and Associates**, Company Secretary, Ahmedabad as Secretarial Auditors of the Company for the FY 2015-16 to conduct Secretarial Audit and provides Secretarial Audit Report in Form MR-3. The Secretarial Audit Report is annexed herewith as "**Annexure-A**" to this report. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark and is self-explanatory and thus does not require any further clarifications / comments.

12. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2015-16.

13. CORPORATE SOCIAL RESPONSIBILITY:

In accordance with the provisions of section 135 of the Companies Act, 2013 and the rules made there under, your company has constituted Corporate Social Responsibility Committee of Directors. The role of the Committee is to review CSR activities of the company periodically and recommend to the Board amount of expenditure to be spent on CSR annually.

The annual report on Corporate Social Responsibility Activities is enclosed as "**Annexure-B**" to this report pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014.

14. DISCLOSURE WITH RESPECT TO REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES :

i. A statement containing the names and other particulars of employees in accordance with the provisions of section 197(12) of the Companies Act, 2013 read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is detailed as under :

Name of Directors and KMP	DIN	Designation	Remuneration		% increase in remuneration	Ratio to median remuneration
			2014-15 Rs in lacs	2015-16 Rs in lacs		2015-16
Anil R. Bakeri	00784445	Director	102.00	102.00	-	21.57
Pavan A. Bakeri	00640308		102.00	102.00	-	21.57
AchalAnil Bakeri	00397573	Director	-	-	-	-
Asit N. Somani	00159761	Director	-	-	-	-
Nikhil J. Shah	06580243	Director	-	-	-	-

ii. The percentage of increase in the median remuneration of employees in the financial year under review is 1.2%.

iii. The Company has 82 employees on the rolls of Company as on 31st March, 2016.

iv. The remuneration paid is as per the remuneration policy of the Company.

15. RISK MANAGEMENT POLICY :

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/mitigating the same. The Company has framed a formal Risk Management Framework for risk assessment and risk minimization which is periodically reviewed to ensure smooth operation and effective management control. The Board of Directors also review the adequacy of the risk management framework of the Company, the key risks associated with the business and measure and steps in place to minimize the same.

16. VIGIL MECHANISM :

The company has established vigil mechanism (whistle blower policy) and according to such policy, all employees are encouraged to report any instance/s of unethical behaviour, fraud, violation of the Company's Code of Conduct or any behaviour which may otherwise be inappropriate and harmful to the Company. No such instances have been brought to notice during the year.

17. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY :

As on 31st March, 2016, your Company has one (1) Associate Company namely "Bakeri Real Estate Private Limited" (47% holding). Further, there has been no material change in the nature of business of the Associate Company. There are no joint ventures and subsidiary company within the meaning of Section 2(6) of the Companies Act, 2013.

In accordance with the Section 129(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Accounts) Rules, 2014, the Company, being Intermediate Wholly Owned Subsidiary of Bakeri Projects Pvt. Ltd., is not required to prepare Consolidated Financial Statements.

The parent company i.e. Bakeri Projects Pvt. Ltd. has prepared Consolidated Financial Statements in respect of its subsidiaries and associate companies.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of the Associate Company in Form AOC-1 is attached as **"Annexure-C"** to the Directors' Report. The statement also provides the details of performance and financial position of the Associate Company.

18. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS :

During the financial year, the Hon'ble High Court of Gujarat passed an order dated 8th February, 2016 received on 23rd March, 2016, sanctioning the amalgamation of M/s. Bakeri Southern Urban Development Private Limited, M/s. Peshani Investments Private Limited, M/s. Sanskrut Investments and Consultancy Services Private Limited and M/s. Suyojan Properties Private Limited (collectively referred to as 'Transferor Companies') with M/s. Bakeri Urban Development Private Limited ('the Company') under section 391 to 394 and other relevant provisions of the Companies Act, 1956. The said order is duly filed with the Registrar of Companies in e-Form INC-28.

Further, no other orders are passed by the regulators or courts or tribunals which are impacting the going concern status and company's operations in future.

19. CHANGES IN SHARES CAPITAL :

The Company has not issued any Equity Shares during the year under review.

20. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return in Form No. MGT- 9 is annexed herewith as **"Annexure-D"** to this Report.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The company has not granted any Loans, Guarantees or made Investments under Section 186 during the year under review..

22. DEPOSITS:

The Company has neither accepted nor invited any deposits from public during the year under review.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has not entered into any contract or arrangements with related parties referred to in section 188 of the Companies Act, 2013. Hence, disclosure as required in the Form No. AOC-2 is not attached with this Report..

24. CONSERVATION OF ENERGY:

Your Company has taken necessary steps to conserve the energy and to protect the environment.

25. TECHNOLOGY ABSORPTION:

Your company is continuously adapting to the new technology in the related fields of business and thereby striving to optimize customer satisfaction.

26. FOREIGN EXCHANGE EARNING AND OUTGO:

There have been no earnings or outgo in foreign exchange for the year under review.

27. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

28. INTERNAL FINANCIAL CONTROL SYSTEM:

The Companies Act, 2013 has mandated the Company to have a formal framework of Internal Financial Controls (IFC) and has also laid down specific responsibilities on the Board with regard to IFC.

The financial control system and framework is required to ensure:

- The orderly and efficient conduct of its business,
- 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.

The Board reviews the effectiveness of controls documented as part of IFC framework, and take necessary corrective actions where weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology environment.

Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect, our IFC. The Management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

29. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

In compliance of the Companies Act, 2013, the performance evaluations of the Board / Committees were carried out. The Company has devised policy documents along with performance evaluation criteria based on profiles, experience, contribution, dedication, regularity, participation, team work and contribution of each Director to the growth of the Company.

30. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with clause (c) of Sub section (3) of Section 134 of the Companies Act, 2013, your directors state that:

a) in the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same ;
b) the Directors have selected such accounting policies and applied them consistently and made judgments' and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on 31st March, 2016 ;
c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
d) the directors have prepared the annual accounts on a going concern basis ;
e) proper internal financial controls are in place and are operating effectively ;
f) proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

31. ACKNOWLEDGEMENTS:

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the company.

For and on behalf of the Board of Directors
Bakeri Urban Development Private Limited,

Anil Ratilal Bakeri
Director
DIN : 00784445

Asit Natvarlal Somani
Director
DIN : 00159761

Date: 01 SEP 2016
Place: Ahmedabad

CS
Sonia Kakani & Associates
Company Secretary

401, M.V House, Opp Hatisingh Jain Temple,
Shahibaug Road, Ahmedabad-380004.
(M) 97141-13999
Email : sonia.kakani@gmail.com

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
M/S. BAKERI URBAN DEVELOPMENT PRIVATE LIMITED
Sanskrut, 1st Floor,
Nr. Old High Court Road, Ashram Road,
Ahmedabad, Gujarat, 380009

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Bakeri Urban Development Private Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering from the date of listing of the Non- Convertible Debentures i.e. 15th Day of March, 2016 to the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Bakeri Urban Development Private Limited** ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder ;

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iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder ;

iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; and

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

v. The Memorandum and Article of Association.

vi. The Secretarial Standards issued by the Institute of Company Secretaries of India

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and 98 sections of the Companies Act, 2013 notified vide the Ministry of Company Affairs Gazette Notification No. S.O.2754(E) dated September 12, 2013 ("the Act) ånd the Memorandum and Articles of Association of the Company, with regard to :

- Maintenance of various statutory registers and documents and making necessary entries therein;
- Closure of the Register of Members / Debenture holders;
- forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- service of documents by the Company on its Members, Debenture holders, Debenture Trustees, Auditors and the Registrar of Companies;
- notice of Board meetings and Committee meetings of Directors;
- the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- the last Annual General Meeting held on September 28, 2015;
- minutes of proceedings of General Meetings and of the Board and its Committee meetings;

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- approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- payment of remuneration to Directors including the Managing Director and Whole-time Directors;
- appointment and remuneration of Auditors and Cost Auditors;
- transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
- payment of interest on debentures and redemption of debentures;
- there was no declaration and payment of dividends – as no dividend was declared till date.
- transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;- Not applicable
- has complied with the provisions of borrowings and registration, modification and satisfaction of charges wherever applicable.
- Has complied with the provisions of sec. 186 for investment of the Company's funds including inter-corporate loans and investments and loans to others;
- giving guarantees in connection with loans taken by subsidiaries;- no subsidiary, therefore not applicable
- form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- allotment of equity shares of the Company pursuant to Employees Stock Option Scheme;
- Directors' report;
- contracts, common seal, registered office and publication of name of the Company; and
- generally, all other applicable provisions of the Act and the [illegible]ade under the Act.

SONIA KAKANI & ASSOCIATES • Company Secretary • C.P. No. [illegible]