AUDIT REPORT

FOR THE ACCOUNTING YEAR

2015 - 2016

OF

<u>SHREE SHAKTI REALTY PRIVATE LIMITED</u>

38/538, SAGAR APARTMENT, OPP. BHAVASAR
HOSTEL, NAVA WADAJ, AHMEDABAD,
GUJARAT-380013

BY
AUDITORS :

MEHUL THAKKER & CO

CHARTERED ACCOUNTANTS

2ND FLOOR, ASHA COMPLEX, B/H. NAVRANGPURA
POLICE STATION, NAVRANGPURA,
AHMEDABAD-380009 GUJARAT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SHREE SHAKTI REALTY PRIVATE LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of SHREE SHAKTI REALTY PRIVATE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the 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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;

b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, the said order is not applicable.

2. 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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches which is also audited by us)

   c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.[and the returns received from the branches which are prepared by us]

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

   f) 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 B**"; and

   g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:

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

      ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

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

for **MEHUL THAKKER & CO**
Chartered Accountants

SHANKARLAL PRAGJIBHAI THAKKER
2ND FLOOR, ASHA COMPLEX, B/H.
NAVRANGPURA POLICE STATION,
NAVRANGPURA, AHMEDABAD-380009
GUJARAT

Place : AHMEDABAD
Date : 03/09/2016

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls 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 **SHREE SHAKTI REALTY PRIVATE LIMITED**. ("The Company") as of 31 March 2016 in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Companies Act, 2013.

Auditors' 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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, 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 31 March 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **MEHUL THAKKER & CO**
Chartered Accountants

Place : **AHMEDABAD**
Date : **30/09/2016**

SHANKARLAL PRAGJIBHAI THAKKER
2ND FLOOR, ASHA COMPLEX, B/H.
NAVRANGPURA POLICE STATION,
NAVRANGPURA, AHMEDABAD-380009
GUJARAT

SHREE SHAKTI REALTY PRIVATE LIMITED
CIN : U45200GJ2012PTC069983
BALANCE SHEET AS AT 31/03/2016

In ₹

Particulars	Note	31/03/2016	31/03/2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	100000.00	100000.00
Reserves and surplus	2.2	1316259.29	1164044.72
Money received against share warrants		-	-
		1416259.29	1264044.72
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	2.3	110544828.00	85097270.00
Deferred tax liabilities (Net)		-	-
Other Long term liabilities		-	-
Long-term provisions		-	-
		110544828.00	85097270.00
Current liabilities			
Short-term borrowings		-	-
Trade payables	2.4	14989745.00	13149786.00
Other current liabilities		-	-
Short-term provisions		-	-
		14989745.00	13149786.00
TOTAL		**126950832.29**	**99511100.72**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.5	3193261.29	42597.72
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		3193261.29	42597.72
Non-current investments		-	-
Deferred tax assets (net)	2.6	75162.00	-
Long-term loans and advances		-	-
Other non-current assets		-	-
		3268423.29	42597.72
Current assets			
Current investments		-	-
Inventories	2.7	122046181.00	96325000.00
Trade receivables		-	-
Cash and cash equivalents	2.8	196671.00	2054203.00
Short-term loans and advances	2.9	1439557.00	1089300.00
Other current assets		-	-
		123682409.00	99468503.00
TOTAL		**126950832.29**	**99511100.72**

See accompanying notes forming part of the financial statements.

In terms of our attached report of even date

For MEHUL THAKKER & CO
CHARTERED ACCOUNTANTS
FRN : 118993W

For SHREE SHAKTI REALTY PRIVATE LIMITED

SHANKARLAL PRAGJIBHAI THAKKER
(PARTNER)

BHARAT VANJARA
(DIRECTOR)
(DIN : 05248853)

PINTO VANZARA
(DIRECTOR)
(DIN : 05248865)

Place : AHMEDABAD

Date : 03/09/2016

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

2.1 Share Capital

In ₹

Particulars	31/03/2016	31/03/2015
Authorised		
10000 (10000) Equity Shares of ₹ 10/- Par Value	100000.00	100000.00
	100000.00	**100000.00**
Issued		
10000 (10000) Equity Shares of ₹ 10/- Par Value	100000.00	100000.00
	100000.00	**100000.00**
Subscribed		
10000 (10000) Equity Shares of ₹ 10/- Par Value	100000.00	100000.00
	100000.00	**100000.00**
Paidup		
10000 (10000) Equity Shares of ₹ 10/- Par Value Fully Paidup	100000.00	100000.00
	100000.00	**100000.00**

Holding More Than 5%

Particulars	31/03/2016		31/03/2015	
	Number of Share	% Held	Number of Share	% Held
PINTU GOPIJI VANZARA	5000	50.00	5000	50.00
PUNAMBEN PINTUBHAI VANZARA	5000	50.00	5000	50.00

2.2 Reserve and Surplus

In ₹

Particulars	31/03/2016	31/03/2015
Profit and Loss Opening	1164044.72	719130.00
Amount Transferred From Statement of P&L	152214.57	444914.72
	1316259.29	**1164044.72**
	1316259.29	**1164044.72**

2.3 Long Term Borrowings

In ₹

Particulars	31/03/2016	31/03/2015
Others		
Secured		
SECURED LOAN	2290314.00	0.00
Unsecured		
ADVANCED FROM MEMBERS	102254552.00	81406552.00
UNSECURED	5999962.00	3690718.00
	110544828.00	**85097270.00**

2.4 Trade Payables

In ₹

Particulars	31/03/2016	31/03/2015
Creditors Due others		
TRADE PAYABLES	14989745.00	13149786.00
	14989745.00	**13149786.00**

2.5 Tangible assets

In ₹

Particulars	Gross				Depreciation					Impairment				Net	
	Opening	Addition	Deduction	Closing	Opening	During Period	Deduction	Other Adj.	Closing	Opening	During Period	Reversal	Closing	Closing	Opening
Equipments															
Office Equipments															
MOBILE PHONE	54598.00			54598.00	12000.28	19198.79			31199.07					23398.93	42597.72
Total	**54598.00**			**54598.00**	**12000.28**	**19198.79**			**31199.07**					**23398.93**	**42597.72**
Computer Equipments															
COMPUTER		8500.00		8500.00		1496.17			1496.17					7003.83	
Total		**8500.00**		**8500.00**		**1496.17**			**1496.17**					**7003.83**	
Other Equipments															
OFFICE EQUIPMENT		75490.00		75490.00		11535.74			11535.74					63954.26	
Total		**75490.00**		**75490.00**		**11535.74**			**11535.74**					**63954.26**	
Furniture and Fixtures															
FURNITURE AND FIXTURES		41600.00		41600.00		8416.09			8416.09					33183.91	
Total		**41600.00**		**41600.00**		**8416.09**			**8416.09**					**33183.91**	
Vehicles															
Motor Vehicles															
CAR		3561000.00		3561000.00		495279.64			495279.64					3065720.36	
Total		**3561000.00**		**3561000.00**		**495279.64**			**495279.64**					**3065720.36**	
Grand Total	**54598.00**	**3686590.00**	**0.00**	**3741188.00**	**12000.28**	**535926.43**	**0.00**	**0.00**	**547926.71**	**0.00**	**0.00**	**0.00**	**0.00**	**3193261.29**	**42597.72**
Previous	**0.00**	**54598.00**	**0.00**	**54598.00**	**0.00**	**12000.28**	**0.00**	**0.00**	**12000.28**	**0.00**	**0.00**	**0.00**	**0.00**	**42597.72**	**0.00**

2.6 Deferred Taxes

In ₹

Particulars	31/03/2016	31/03/2015
Deferred Tax Assets		
Other	75162.00	0.00
	75162.00	**0.00**

2.7 Inventories

In ₹

Particulars	31/03/2016	31/03/2015
Work in Progress	109685000.00	84025000.00
Stock in Trade	12361181.00	12300000.00
	122046181.00	**96325000.00**

2.8 Cash and cash equivalents

In ₹

Particulars	31/03/2016	31/03/2015
Cash in Hand	31651.00	812464.00
Balances With Banks		
	196671.00	**2054203.00**

2.9 Short-term loans and advances

In ₹

Particulars	31/03/2016	31/03/2015
Loans and advances to others		
Unsecured, considered good		
LOANS & ADVANCES	1439557.00	1089300.00
	1439557.00	**1089300.00**

In terms of our attached report of even date
For MEHUL THAKKER & CO
CHARTERED ACCOUNTANTS
FRN : 118993W

For SHREE SHAKTI REALTY PRIVATE LIMITED

SHANKARLAL PRAGJIBHAI THAKKER
(PARTNER)

BHARAT VANJARA
(DIRECTOR)
(DIN : 05248853)

PINTO VANZARA
(DIRECTOR)
(DIN : 05248865)

Place : AHMEDABAD

Date : 03/09/2016

SHREE SHAKTI REALTY PRIVATE LIMITED
CIN : U45200GJ2012PTC069983
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2016

In ₹

Particulars	Note	31/03/2016	31/03/2015
Revenue from operations	3.0	25660000.00	30500000.00
Other income	3.1	51099.00	83433.00
Total Revenue		**25711099.00**	**30583433.00**
Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	3.2	11768932.00	11140999.00
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.3	(61181.00)	640200.00
Employee benefits expense	3.4	1560000.00	2244800.00
Finance costs	3.5	756525.00	1077218.00
Depreciation and amortization expense	3.6	535926.43	12000.28
Other expenses	3.7	10918464.00	15023301.00
Total expenses		**25478666.43**	**30138518.28**
Profit before exceptional, extraordinary and prior period items and tax		232432.57	444914.72
Exceptional items		-	-
Profit before extraordinary and prior period items and tax		232432.57	444914.72
Extraordinary Items		-	-
Profit before prior period items and tax		232432.57	444914.72
Prior Period Items		-	-
Profit before tax		232432.57	444914.72
Tax expense:	3.8		
Current tax		155380.00	-
Deferred tax		(75162.00)	-
Profit/(loss) for the period from continuing operations		152214.57	444914.72
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit/(loss) for the period		152214.57	444914.72
Earnings per equity share:	3.9		
Basic		-	44.49
Diluted		-	-

See accompanying notes forming part of the financial statements.
In terms of our attached report of even date

For MEHUL THAKKER & CO
CHARTERED ACCOUNTANTS
FRN : 118993W

For SHREE SHAKTI REALTY PRIVATE LIMITED

SHANKARLAL PRAGJIBHAI THAKKER
(PARTNER)

BHARAT VANJARA
(DIRECTOR)
(DIN : 05248853)

PINTO VANZARA
(DIRECTOR)
(DIN : 05248865)

Place : AHMEDABAD

Date : 03/09/2016

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

3.0 Revenue from operations

In ₹

Particulars	31/03/2016	31/03/2015
Sale of Services		
WORK IN PROGRESS	25660000.00	30500000.00
	25660000.00	**30500000.00**

3.1 Other income

In ₹

Particulars	31/03/2016	31/03/2015
Miscellaneous		
VATAV KASAR	16130.00	83433.00
INTEREST ON TDS	34969.00	0.00
	51099.00	**83433.00**

3.2 Purchases of Stock-in-Trade

In ₹

Particulars	31/03/2016	31/03/2015
Stock in Trade		
PURCHASES	11768932.00	11140999.00
	11768932.00	**11140999.00**

3.3 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

In ₹

Particulars	31/03/2016	31/03/2015
Opening		
Stock in Trade	12300000.00	12940200.00
	12300000.00	**12940200.00**
Closing		
Stock in Trade	12361181.00	12300000.00
	12361181.00	**12300000.00**
Increase/Decrease		
Stock in Trade	(61181.00)	640200.00
	(61181.00)	**640200.00**

Details of Changes in Inventory

Particulars	31/03/2016	31/03/2015
Stock in Trade		
STOCK	(61181.00)	640200.00
	(61181.00)	**640200.00**

3.4 Employee benefits expense

In ₹

Particulars	31/03/2016	31/03/2015
Salary, Wages & Bonus		
SALARY	1560000.00	2244800.00
	1560000.00	**2244800.00**

3.5 Finance costs

In ₹

Particulars	31/03/2016	31/03/2015
Interest Expenses		
Interest Expenses		
INTEREST	622495.00	983669.00
CAR LOAN INTEREST	109064.00	0.00
Bank Charges	24966.00	23519.00
Other Interest Charges		
INTEREST ON TDS	0.00	70030.00
	756525.00	**1077218.00**

3.6 Depreciation and amortisation expense

In ₹

Particulars	31/03/2016	31/03/2015
Depreciation & Amortisation		
Depreciation Tangible Assets	535926.43	12000.28
	535926.43	**12000.28**

3.7 Other expenses

In ₹

Particulars	31/03/2016	31/03/2015
Administrative and General Expenses		
Telephone Postage	0.00	16738.00
Printing Stationery		
Printing	73397.00	20575.00
Auditors Remuneration		
Audit Fees	17175.00	10000.00
Managerial Remuneration		
Salary To Director	800000.00	800000.00
Repairs Maintenance Expenses		
Others	16250.00	18734.00
VEHICLE REPAIRS	26220.00	0.00
Electricity Expenses	94284.00	444890.00
Legal and Professional Charges		
PROFESSIONAL FEES	168000.00	872700.00
Other Administrative and General Expenses		
LABOUR CHARGES	7056027.00	6199022.00
CARTING & TRANSPORT EXPENSE	179900.00	2171816.00
DEVELOPMENT CHARGES	810885.00	1111619.00
MISC. EXP.	47551.00	83068.00
STAMP DUTY REG. FEES	1331400.00	2063870.00
VAKIL FEES	16000.00	19254.00
VAT	168475.00	444588.00
ACCOUNT CHARGES	25000.00	25000.00
CONVEYANCE	36600.00	56900.00
MACHINERY HIRE CHARGES	14000.00	0.00
DONATION	11000.00	0.00
PROCESSING FEES	25000.00	0.00
R O C FEES	1300.00	0.00
TUBEWELL	0.00	180625.00
PEST CONTROL EXP.	0.00	59766.00
Selling Distribution Expenses		
Advertising Promotional Expenses	0.00	424136.00
	10918464.00	**15023301.00**

3.8 Tax expense

In ₹

Particulars	31/03/2016	31/03/2015
Current tax	155380.00	0.00
Deferred tax	(75162.00)	0.00
	80218.00	**0.00**

3.9 Earnings per equity share

In ₹

Particulars	31/03/2016	31/03/2015
Earnings Per Equity Share		
Basic		
Basic EPS Before Extra Ordinary Item	0.00	44.49

In terms of our attached report of even date
For MEHUL THAKKER & CO
CHARTERED ACCOUNTANTS
FRN : 118993W

For SHREE SHAKTI REALTY PRIVATE LIMITED

SHANKARLAL PRAGJIBHAI THAKKER

BHARAT VANJARA

PINTO VANZARA

(PARTNER)	(DIRECTOR) (DIN : 05248853)	(DIRECTOR) (DIN : 05248865)

Place **:** AHMEDABAD

Date **:** 03/09/2016