SYNTHESIS SPACELINKS PRIVATE LIMITED

Profit and loss statement for the year ended 31st March 2016

| | Particulars | Refer Note No. | 2015-16 Amount ₹ | 2014-15 Amount ₹ |
|---|---|---|---|---|
| I. | Revenue from operations | 17 | 9,001,125 | 7,664,243 |
| II. | Other income | 18 | 265,540 | 1,926,302 |
| III. | Total Revenue (I + II) | | 9,266,665 | 9,590,545 |
| IV. | Expenses: | | | |
| | Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 19 | - | - |
| | Employee benefits expense | 20 | 582,737 | 523,567 |
| | Finance costs | 21 | 2,193,756 | 3,326,820 |
| | Depreciation and amortization expense | | 1,447,914 | 2,499,023 |
| | Other expenses | 22 | 2,601,135 | 2,306,444 |
| | Total expenses | | 6,825,542 | 8,655,854 |
| VI | Profit before tax (V- VI) | | 2,441,123 | 934,691 |
| VII | Tax expense: | | | |
| | (1) Current tax | | 693,000 | 530,000 |
| | (2) Deferred tax | | 61,607 | (103,115) |
| | (3) Short/Excess Provision of Income Tax | | (1,219) | (4,975) |
| VIII | Profit (Loss) for the period (VI - VII) | | 1,687,735 | 512,781 |
| IX | Earnings per equity share: | 23 | | |
| | (1) Basic | | 3.38 | 1.03 |
| | (2) Diluted | | 3.38 | 1.03 |

Significant Accounting Policies 1

Notes Forming Part of Financial Statement

For,Dhirajlal Shah & Co.
Chartered Accountants
Firm Registration No. 102500W

Anand P.Shah
Partner
M.No.: 100159
Date : 07/09/2016
Place : Ahmedabad

For & on behalf of Board of Directors

Pankaj Shah

Bhupendra Mohorawala

Date : 07/09/2016
Place : Ahmedabad

Note-1

**Significant Accounting Policies and Notes Forming Part of Accounts**

❖ **Statement of significant accounting policies:**

1. a) **Basis of preparation**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis and comply in all material respects with the mandatory Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

c) **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

2) **Fixed assets and depreciation: -**

Fixed assets are capitalised at cost inclusive of expenses incidental thereto. Depreciation is charged over the estimated useful life of a fixed assets on the written down value method from the date of put to use. The useful lives of the assets are adopted as prescribed under schedule II to the Companies Act, 2013.

3) **Investments: -**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as non-current investments and are carried at cost except provision for diminution in value is made to recognise a decline other than temporary as specified in Accounting Standard (As-13) on "Accounting for investments".

4) **Inventories: -**

Inventories are valued as follows:

Stock-in-trade: Lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale

5) **Revenue recognition: -**

The accounting policies for the Revenue Recognition are as follow: -

A) Rent:

Revenue is recognised on accrual basis.

B) Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

C) Dividend:

Dividend income is recognised when the right to receive the same is established.

D) Project Consultancy Fees:

Project Consultancy fees are booked as and when the bills are raised. The fees are accounted excluding service tax.

(6) **Borrowing cost: -**

Borrowing costs, which have a direct nexus and are directly attributable to the construction projects or assets are charged to the projects/assets and other borrowing costs are expensed out as period cost as specified in Accounting Standard (AS-16) on "Borrowing Costs"

(7) **Employees retirement benefits: -**

A) Defined Contribution Plans:

Company's contribution in respect of Employees' Provident Fund is made to Government provident fund and is charged to Profit and Loss Account.

B) Defined Benefits Plans:

The Company makes contribution to Synthesis Spacelinks Employees Gratuity Trust Fund (the trust) to discharge the gratuity liability to employees. Payments to the trust are charged to Profit & Loss Account in the year of payment. Provision towards gratuity, defined benefit plan, is made for the difference between actuarial valuation by an independent actuary & the fund balance as at the year end. The actuarial valuation is performed using the projected unit cost method.

8) **Income taxes: -**

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income" The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognised only if there is a reasonable certainty that the assets will be realised in future.

9) **Earnings per share: -**

Basic earnings per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the period. The average number of equity shares outstanding during the period is adjusted for the event of fresh issue of shares to the existing share holders.

10) **Prepaid expenses: -**

Financial expense incurred during the current accounting period which provides benefit in several accounting period has been treated as revenue expense only for the period relating to the current accounting period and balance is treated as prepaid expenses to be adjusted on Pro Rata basis in the future accounting period.

11) **Provisions: -**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

12) **Contingent Liabilities: -**

Contingent liabilities are not provided for in this account, and if any, the same is reflected in notes to account.

13) **Major Components of Deferred Tax Assets / Liabilities arising on account of timing differences are:**

**Deferred Tax Liabilities:**

| Particulars | As at 01-04-2015 | Deferred Tax Liability Created | As at 31-03-2016 during the year |
|---|---|---|---|
| Deferred Tax Liability | 7,50,096.00 | 61607.00 | 811703 |

Note 17
Revenue from operations

| Particulars | 2015-16<br>Amount ₹ | 2014-15<br>Amount ₹ |
|---|---|---|
| Consultation Fees | 350,000 | 4,735,000 |
| Rent Income - Others | 756,049 | 673,869 |
| Rent Income - Parking | 1,288,159 | 1,549,505 |
| Rent Income - Tower | 1,131,477 | 705,869 |
| Rent Income - Synthesis Corporation | 5,475,440 | - |
| Total | 9,001,125 | 7,664,243 |

Note 18
Other income

| Particulars | 2015-16<br>Amount ₹ | 2014-15<br>Amount ₹ |
|---|---|---|
| Interest Income (TDS: C.Y. NIL, Rs. P.Y. Rs.158860) | - | 1,588,603 |
| Interest on Refund | 19,350 | 36,370 |
| Dividend Income | 240,000 | 300,000 |
| Other non-operating income (net of expenses directly attributable to such income) | 6,190 | 1,329 |
| Total | 265,540 | 1,926,302 |

Note 19
Changes in inventories of finished goods work-in-progress and Stock-in-Trade

| Particulars | 2015-16<br>Amount ₹ | 2014-15<br>Amount ₹ |
|---|---|---|
| Opening Stock : | | |
| Traded Items | 4,423,860 | 4,423,860 |
| Closing Stock : | | |
| Traded Items | 4,423,860 | 4,423,860 |
| Total | - | - |

Note 20
Employee Benefits Expense

| Particulars | 2015-16<br>Amount ₹ | 2014-15<br>Amount ₹ |
|---|---|---|
| Salaries | 550,477 | 502,654 |
| Director Remunerations | - | - |
| Contributions to - | | |
| (a) Provident fund | 30,900 | 19,795 |
| (b) Gratuity fund contributions | 1,360 | 1,118 |
| Total | 582,737 | 523,567 |

Note 21
Finance costs

| Particulars | 2015-16<br>Amount ₹ | 2014-15<br>Amount ₹ |
|---|---|---|
| Interest expense | 2,174,256 | 3,246,070 |
| Loan Expenses | 19,500 | 80,750 |
| Total | 2,193,756 | 3,326,820 |

Note 22
Other expenses

| Particulars | 2015-16<br>Amount ₹ | 2014-15<br>Amount ₹ |
|---|---|---|
| Power and fuel. | 413,040 | 403,766 |
| Insurance . | 10,393 | 10,392 |
| Rates and taxes, excluding, taxes on income. | 329,403 | 318,640 |
| Service Tax Expense | 1,062,903 | 315,783 |
| Consulting Charges | 55,500 | 21,000 |
| Payments to the auditor as | | |
| a. auditor | 59,701 | 56,180 |
| b. for other services | - | - |
| Maintenance Expenses | 396,766 | 610,813 |
| Telephone & Mobile Expenses | 129,601 | 154,332 |
| Miscellaneous expenses | 47,162 | 303,814 |
| Advertisement Exp. | 66,222 | 101,404 |
| Stamping Exp. | 500 | 620 |
| Vehicle Exp | 29,944 | 9,700 |
| Total | 2,601,135 | 2,306,444 |

Note 23

Earning Per Share (EPS)

| Particulars | 2015-16 | 2014-15 |
|---|---|---|
| | Amount ₹ | Amount ₹ |
| Profit after Tax | 1,687,735 | 512,781 |
| Number of Equity Shares | 500,000 | 500,000 |
| Basic (₹) | 3.38 | 1.03 |
| Diluted (₹) | 3.38 | 1.03 |

Note 24

There are no accounts over due and remaining unpaid to Micro, Small and Medium enterprises, small scale and/or ancillary suppliers on account of principal and/or interest as at the close of the year. This disclosure is based on the information available with the company regarding the status of the suppliers as defined under the Micro, Small and Medium enterprises development act 2006.

Note 25

Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 to the extent applicable:

| Particulars | 2015-16 | 2014-15 |
|---|---|---|
| | Amount ₹ | Amount ₹ |
| a) CIF value of imports | Nil | Nil |
| b) Expenditure in Foreign Currency | Nil | Nil |
| c) Imported and indigenous stores and spares consumed | NA | NA |
| d) Net dividend remitted in foreign exchange | Nil | Nil |
| e) Earnings in Foreign Currency | Nil | Nil |

Note 26

Previous year figures have been regrouped / reclassified wherever necessary to correspond with the figures for the here under review.

For,Dhirajlal Shah & Co.
Chartered Accountants
Firm Registration No. 102500W

Anand P.Shah
Partner
M.No.: 100159
Date : 07/09/2016
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