

**Independent Auditor's Report**

To the Members of **Newton Builders Private Limited**
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Newton Builders Private Limited**, which comprise the balance sheet as at 31st March 2016, the statement of profit and loss for the period starting from 01st April 2015 and ending on 31st March 2016 and 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 Standalone Financial Statements and for Internal Financial Controls over Financial Reporting

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation 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 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.

The Company's management is responsible for establishing and maintaining internal financial controls. 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 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 and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting. 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 the financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and 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. In making those risk assessments, the auditor considers internal financial controls 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 Company's internal financial controls system over financial reporting and the standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 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 2016 and its profit for the period starting from 01st April 2015 and ending on 31st March 2016 and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. Subject to Notes on Account, we report that ;

(a) Separate Books to record purchase, movement and consumption of materials haven't been produced before us for our verification.



- (b) Proper supporting bills in many cases relating to purchase of material from unregistered dealer and external evidence in the form of cash memos/bills, stamped receipts etc. were not available. The vouchers were internally prepared by the management and signed by the authorized signatory.
- (c) The labour cess on the cost of construction was neither provided for nor paid. No records for VAT returns, provision for VAT and payment for the same was shown to us, hence, we are unable to comment on it.
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 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) 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; and
- (f) In our opinion considering nature of business, size of operation and organizational structure of the entity 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 31st 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.

Place: Patna
Date :01.09.2016

For, **AJAY KISHORE & Co.**
CHARTERED ACCOUNTANTS
Firm's Reg. No. : 005899C


AJAY KISHORE JHA
Partner
M.No. : 055086

NEWTON BUILDERS PRIVATE LIMITED
NARAYAN SHREE APARTMENT, BLOCK B2, GROUND FLOOR, PATEL PATH
SHEKHPURA, MAZAR GALI, B.V. COLLAGE, PATNA

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No	Figures as at the end of current Year	Figures as at the end of previous Year
EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	3	500000.00	500000.00
(b) Reserves and Surplus	4	3386757.23	2791489.18
2 Current Liabilities			
(a) Trade Payables	5	3444375.00	3179442.00
(b) Other Current Liabilities	5	2557574.00	4757785.00
(c) Short-term provisions	5	349500.00	637609.00
Total		10238206.23	11866325.18
ASSETS			
1 Non-current assets			
(a) Fixed assets	6	86125.00	110138.00
(b) Deferred Tax	7	10970.18	9044.18
2 Current assets			
(a) Inventories	8	3039158.00	3775999.00
(b) Trade receivables	9	0.00	2737970.00
(c) Cash and cash equivalents	10	5821953.05	5083174.00
(d) Short-term loans and advances	11	1280000.00	150000.00
Total		10238206.23	11866325.18

Summary of Significant Accounting Policies 2.1

The accompanying notes are an integral part of financial statements

As per our report of even date attached

Satish Kr Roy

SATISH KR ROY
DIRECTOR
DIN : 02697539

Sonu Kumar

SONU KUMAR
DIRECTOR
DIN: 02726352

For AJAY KISHORE & CO.
Chartered Accountants

 *Ajay Kishore Jha*

CA Ajay Kishore Jha
PARTNER
Mem. : 055086

Place : Patna
Date : 01.09.2016

NEWTON BUILDERS PRIVATE LIMITED

NARAYAN SHREE APARTMENT, BLOCK B2, GROUND FLOOR, PATEL PATH
SHEKHPURA, MAZAR GALI, B.V. COLLAGE, PATNA

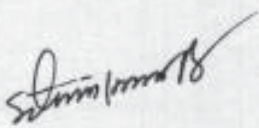
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2016

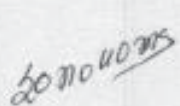
Particulars	Note No	Figures as at the end of current Year	Figures as at the end of previous Year
1 Revenue from operations	12	2,11,76,344.05	4,84,60,366.00
2 Other Income	13	3,900.00	0.00
3 Total Revenue		2,11,80,244.05	4,84,60,366.00
4 Expenses:			
Consumption Cost	14	1,87,22,628.00	4,44,75,000.00
Employee benefit expense	15	12,60,000.00	16,40,000.00
Financial costs	16	2,395.00	1,891.00
Other expenses	17	1,67,913.00	2,59,504.00
Depreciation	6	24,013.00	31,346.00
Total Expenses		2,01,76,949.00	4,64,07,741.00
5 Profit before tax		10,03,295.05	20,52,625.00
6 Tax expense:			
(a) Current Income tax		3,49,500.00	6,37,609.00
(b) Income tax Earlier Year		60,453.00	0.00
(c) Deferred tax		-1,926.00	-3,349.00
7 Profit/(Loss) for the period		5,95,268.05	14,18,365.00
8 Earning per equity share:			
(a) Basic			
(b) Diluted			

Summary of Significant Accounting Policies 2.1

The accompanying notes are an integral part of financial statements

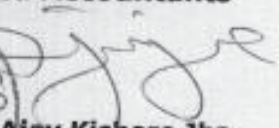
As per our report of even date attached


SATISH KR ROY
DIRECTOR
DIN : 02697539


SONU KUMAR
DIRECTOR
DIN: 02726352

For AJAY KISHORE & CO.
Chartered Accountants




CA Ajay Kishore Jha
PARTNER
Mem. : 055086

Place : Patna
Date : 01.09.2016

NEWTON BUILDERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2016

PARTICULARS	Figures as at 31-03-2016	Figures as at 31-03-2015
NOTE NO. - 3- SHARE CAPITAL		
Authorised		
5000 Equity Share of Rs. 100/- each	500000.00	500000.00
Issued, Subscribed & Paid up		
5000 Equity Share of Rs. 100 Each	500000.00	500000.00
Total	500000.00	500000.00
Shareholders holding more than 5 percent shares		
Name	Current Year	Previous Year
	% No. of Shares	% No. of Shares
Sri Ajay Kumar	30 1500.00	30 1500
Sri Ranjit Singh	30 1500.00	30 1500
Sri Satish Kumar Roy	40 2000.00	40 2000
NOTE NO. - 4 - RESERVE AND SURPLUS		
Surplus		
Opening Balance	2791489.18	1373124.18
Add: Profit/ (Loss) for the Year	595268.05	1418365.00
TOTAL	3386757.23	2791489.18
NOTE NO. - 5 - CURRENT LIABILITIES		
Trade Payables		
Liabilities for Supplies	1952268.00	2156642.00
Liabilities for Expenses	1492107.00	1022800.00
	3444375.00	3179442.00
Other Current Liabilities		
Statutory Liabilities		
Service tax payable	745014.00	319845.00
Others		
Advance against Flat	1812560.00	4437940.00
	2557574.00	4757785.00
Short-term provisions		
Provision for Income Tax	349500.00	637609.00
	349500.00	637609.00
TOTAL	6351449.00	8574836.00

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NEWTON BUILDERS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

NOTE NO. - '6' OF FIXED ASSETS FORMING PART OF THE BALANCE SHEET AS ON 31.03.2016

PARTICULARS	Rate	Gross Block			Accumulated Depreciation			Net Block	
		as on 01.04.2015	Addition	TOTAL	Upto 01.04.2015	During the year	TOTAL	WDV as on 31.03.2016	WDV as on 31.03.2015
Furniture & Fixtures		95478.00	0.00	95478.00	58234.00	10797.00	69031.00	26447.00	37244.00
Air Conditioner		125000.00	0.00	125000.00	52106.00	13216.00	65322.00	59678.00	72894.00
TOTAL Rs.		220478.00	0.00	220478.00	110340.00	24013.00	134353.00	86125.00	110138.00
Previous year's Figure		220478.00	0.00	220478.00	78994.00	31346.00	110340.00	110138.00	

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NEWTON BUILDERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2016

PARTICULARS	Figures as at 31-03-2016	Figures as at 31-03-2015
NOTE NO. - 7 - DEFERRED TAX ASSETS		
Deferred Tax	10970.18	9044.18
	<u>10970.18</u>	<u>9044.18</u>
NOTE NO. - 8 - INVENTORIES		
Stock of Development Expenditure (WIP)	3039158.00	3775999.00
TOTAL	<u>3039158.00</u>	<u>3775999.00</u>
NOTE NO. - 9 - TRADE RECEIVABLES		
(Secured, Unsecured Considered good & doubtful)		
Debts more than 6 months	0.00	27,37,970.00
Other Debts	0.00	-
TOTAL	<u>0.00</u>	<u>2737970.00</u>
NOTE NO. - 10 - CASH AND CASH EQUIVALENTS		
<i>Balance with Banks</i>		
- In Current A/C	5774000.05	5065552.00
Cash in Hand	47893.00	17622.00
TOTAL	<u>5821953.05</u>	<u>5083174.00</u>
NOTE NO. - 11 - SHORT TERM LOANS AND ADVANCES		
Advance to Land Purchase	90000.00	50000.00
Advance to Others	1190000.00	0.00
Advance Income tax	0.00	100000.00
TOTAL	<u>1280000.00</u>	<u>150000.00</u>

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NEWTON BUILDERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2016

PARTICULARS	Figures as at 31-03-2016	Figures as at 31-03-2015
NOTE NO. - 12- REVENUE FROM OPERATIONS		
Sale of Flats		
Total	<u>21176344.05</u>	<u>48460366.00</u>
	<u>21176344.05</u>	<u>48460366.00</u>
NOTE NO. - 13 - OTHER INCOME		
Miscellaneous Income		
TOTAL	<u>3900.00</u>	<u>0.00</u>
	<u>3900.00</u>	<u>0.00</u>
NOTE NO. - 14 - CONSUMPTION COST		
Opening Development Expenditure (WIP)	3775999.00	23828668.00
Add : Construction Expenses During the Year	17985787.00	24422331.00
	<u>21761786.00</u>	<u>48250999.00</u>
Less : Closing Development Expenditure (WIP)	<u>3039158.00</u>	<u>3775999.00</u>
TOTAL	<u>18722628.00</u>	<u>44475000.00</u>
	<u>18722628.00</u>	<u>44475000.00</u>
NOTE NO. - 15 - EMPLOYEE BENEFIT EXPENSES		
Salary, Bonus and Other Benefits	360000.00	440000.00
Director's Remuneration	900000.00	1200000.00
Staff Welfare	0.00	0.00
TOTAL	<u>1260000.00</u>	<u>1640000.00</u>
	<u>1260000.00</u>	<u>1640000.00</u>
NOTE NO. - 16 - FINANCIAL COSTS		
Bank Charges		
TOTAL	<u>2395.00</u>	<u>1891.00</u>
	<u>2395.00</u>	<u>1891.00</u>
NOTE NO. - 17 - OTHER EXPENSES		
Printing & Stationary	3548.00	18470.00
Travelling & Conveyance	42900.00	4356.00
Telephone & Mobile Expenses	12541.00	28370.00
Miscellaneous Expenses	600.00	25552.00
Insurance	40000.00	10576.00
Repair & Maintenance	6524.00	22350.00
Legal & Consultancy Expenses	0.00	27000.00
Audit Fee	57500.00	22800.00
Interest on Income tax	0.00	13060.00
Interest on Service tax	0.00	40183.00
ROC Filing Fee	4300.00	6000.00
Pre-operative & Preliminary Exp W/off	0.00	40787.00
TOTAL	<u>167913.00</u>	<u>259504.00</u>
	<u>167913.00</u>	<u>259504.00</u>

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NEWTON BUILDERS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

1. Corporate Information

The Company has done development work of new residential and commercial apartment other similar business of the same nature.

2. Basis of Preparation

The financial statements of the company have been prepared and presented in accordance with the generally accepted accounting principle under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

2.1 Summary of Significant Accounting Policies

(a) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ determined.

(b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Income from operations is net of adjustment on account of cancellation/returns, if any.

Revenue from sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the allotment letter/agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

Revenue from projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

Revenue from Sale of Development right is recognized upon execution of agreement whereby property is transferred to the buyer.

The amount recognised as revenue is exclusive of service tax and discounts given by the company.

(c) Fixed Assets and Depreciation

Fixed Assets are stated at cost and includes any incidental acquisition and installation expenses. Depreciation on fixed assets has been provided on all depreciable assets on diminishing balance method over useful lives as prescribed in Part C of Schedule - II of the Companies Act, 2013 as amended from time to time.

(d) Inventory

The inventory of the company comprises of construction work in progress, investment in land and advance given to landowner who is a party to each Development Agreement related to the project approved as well as under process of approval are valued at cost.

Cost of sale i.e. direct project expenditure debited in the Profit and Loss Account has been done on estimation basis.

(e) Employees Benefits

Employee benefits include provident fund. The Company has not yet incurred any liability under the provisions of payment of Gratuity Act.

(f) Investment

The Company has not held any investment during the financial year.

(g) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Current and deferred tax relating to items are recognised in the Statement of Profit and Loss.



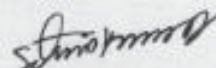
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NEWTON BUILDERS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

NOTES ON ACCOUNTS

18. Project cost includes cost of land, Material Cost, Labour Charges, Site Expenses, Development Cost, Design & Architect Fees Freight Charges etc. Development expenditure (Inventory) is debited to profit & loss a/c on proportionate basis for the flat sold during the year of the concerned project.
19. The amount received from each customer against flat booking is inclusive of service tax. However, the amount shown under "Advance against Flat" is net off service tax.
20. Sale is recognised on agreement value made with each flat holder.
21. Considering the nature of business, where proper supporting vouchers in respect of expenditures were not available the vouchers were internally prepared.
22. Confirmation of balances in respect of Sundry debtors, Bank balances, and other advances are in process.
23. Depreciation on fixed assets has been provided over useful lives as prescribed in Part C of Schedule - II of the Companies Act, 2013 .
24. In accordance with the Accounting Statandard-22 (AS-22), regarding 'Accounting for Tax on Income', issued by the Institute of Chartered Accountants of India, the Cumulative tax effects of significant timing difference, that resulted in Deferred Tax Assets & Liabilities and description of item thereof that creates difference are as follows :
Excess of Book amortisation expenses over Tax is taken to calculate deferred Tax Assets/ Liabilities are :
Opening Deferred Tax Assets : Rs. 9044.18
During the Year (Assets) : Rs. 1926.00
Total Deffered Tax Assets : Rs. 10970.18
25. Value of import on CIF basis : Nil
26. Expenditure in Foreign Currency : Nil
27. Earning in Foreign Currency : Nil
28. Directors waived their meeting fee.
29. Contingent Liability: NIL
30. Previous year's figures have been regrouped/rearranged wherever necessary to bring them in conformity with current year's figures.

NEWTON BUILDERS PRIVATE LIMITED**For AJAY KISHORE & CO.
Chartered Accountants****CA AJAY KISHORE JHA
PARTNER****Mem. : 055086**
**SATISH KUMAR ROY
Director****DIN: 02697589**