AJAY KISHORE & CO.
CHARTERED ACCOUNTANTS
☎ : 0612 3299023 (O), 9931917919 (M)
D-315, 3rd Floor, Dumraon Place, Fraser Road, Patna -800001

Independent Auditor's Report

To the Members of **Shanti Creation Private Limited**
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Shanti Creation 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 exits, 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, theaforesaid standalone financial statements give the information required by the Act in the manner sorequired and give a true and fair view in conformity with the accounting principles generally acceptedin 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.

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



CA ALOKMOY MAZUMDAR
Partner
M.No. :054587

Place: Patna
Date :05.09.2016

SHANTI CREATION PRIVATE LIMITED

VIDYA VATIKA APARTMENT, GORAKH NATH LANE, PATNA

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No	Figures as at 31-03-2016	Figures as at 31-03-2015
EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	3	500000.00	500000.00
(b) Reserves and Surplus	4	6482106.26	3593514.38
2 Non-Current Liabilities			
(a) Long Term Borrowings	5	0.00	196500.00
3 Current Liabilities			
(a) Trade Payables	6	1287483.00	1153403.00
(b) Other Current Liabilities	6	30313146.00	34505495.00
(c) Short-term provisions	6	1316490.00	456647.00
Total		**39899225.26**	**40405559.38**
ASSETS			
1 Non-current assets			
(a) Fixed assets	7	19438.00	31215.00
(b) Deferred Tax Asset	8	10643.13	8854.13
2 Current assets			
(a) Inventories	9	36526039.00	35882474.00
(b) Trade receivables	10	357835.00	4189862.00
(c) Cash and cash equivalents	11	2635270.13	293154.25
(d) Short-term loans and advances	12	350000.00	0.00
Total		**39899225.26**	**40405559.38**
		-	-

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

For AJAY KISHORE & CO.
Chartered Accountants

AJAY KUMAR
DIRECTOR
DIN : 1936388

MEENA SINHA
DIRECTOR
DIN :2699890

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

CA ALOKMOY MAZUMDAR
PARTNER
M.No. : 054587

Place : Patna
Date : 05.09.2016

SHANTI CREATION PRIVATE LIMITED

VIDYA VATIKA APARTMENT, GORAKH NATH LANE, PATNA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 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	13	5,77,78,919.00	2,79,51,437.00
2	Other Income		0.00	0.00
3	**Total Revenue**		**5,77,78,919.00**	**2,79,51,437.00**
4	Expenses:			
	Purchase Cost	14	4,85,22,771.00	2,33,61,000.00
	Employee benefit expense	15	38,62,170.00	26,07,592.00
	Financial costs	16	13,550.12	5,589.91
	Other expenses	17	11,64,500.00	4,90,004.00
	Depreciation	6	11,777.00	18,913.00
	Total Expenses		**5,35,74,768.12**	**2,64,83,098.91**
5	Profit before tax		42,04,150.88	14,68,338.09
6	Tax expense:			
	(a) Current Income tax		13,16,490.00	4,57,505.00
	(b) Deferred tax		-1,789.00	-3,789.00
7	Profit/(Loss) for the period		**28,89,449.88**	**10,14,622.09**
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

For AJAY KISHORE & CO.
Chartered Accountants

AJAY KUMAR
DIRECTOR
DIN : 1936388

MEENA SINHA
DIRECTOR
DIN :2699890

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

CA ALOKMOY MAZUMDAR
PARTNER
M.No. : 054587

Place : Patna
Date : 05.09.2016

SHANTI CREATION 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				
250000 Equity Share of Rs. 10/- each		2500000.00		2500000.00
Issued, Subscribed & Paid up				
50000 Equity Share of Rs. 10/- Each		500000.00		500000.00
Total		500000.00		500000.00
Shareholders holding more than 5 percent shares		**Current Year**		**Previous Year**
Name	%	No. of Shares	%	No. of Shares
Sri Ajay Kumar	50	25000	50	25000
Smt. Meena Sinha	15	7500	15	7500
Smt. Nitu Kumari	18	8750	18	8750
Sri Ram Kishore Singh	18	8750	18	8750
NOTE NO. - 4 - RESERVE AND SURPLUS				
Surplus				
Opening Balance		3593514.38		2578892.29
Add: Profit/ (Loss) for the Year		2889449.88		1014622.09
Less: Income Tax Adjustment (Earlier Year)		858.00		0.00
TOTAL		6482106.26		3593514.38
NOTE NO. - 5 - LONG TERM BORROWINGS				
Unsecured Loan		0.00		196500.00
TOTAL		0.00		196500.00
NOTE NO. - 6 - CURRENT LIABILITIES				
Trade Payables				
Liabilities for Supplies		1108163.00		1125313.00
Liabilities for Expenses		179320.00		28090.00
		1287483.00		1153403.00
Other Current Liabilities				
Other Payables				
Advance against Flat		29530670.00		32684062.00
Other Liabilities		0.00		900000.00
Statutory Liabilities				
Service Tax Payable		302079.00		921433.00
TDS Payable		480397.00		0.00
		30313146.00		34505495.00
Short-term provisions				
Provision for Income Tax		1316490.00		456647.00
TOTAL		1316490.00		456647.00
		32917119.00		36115545.00

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DIRECTOR
DIN: 01936388

DIRECTOR
DIN: 02699890

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

SHANTI CREATION PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2016

NOTE NO. - '7' OF FIXED ASSETS FORMING PART OF THE BALANCE SHEET AS ON 31.03.2016

PARTICULARS		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		91248.00	0.00	91248.00	60033.00	11777.00	71810.00	19438.00	31215.00
TOTAL Rs.		**91248.00**	**0.00**	**91248.00**	**60033.00**	**11777.00**	**71810.00**	**19438.00**	**31215.00**
Previous year's Figure		**91248.00**	**0.00**	**91248.00**	**41120.00**	**18913.00**	**60033.00**	**31215.00**	

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DIRECTOR
DIN : 01936388

DIRECTOR
DIN : 02699890

AJAY KISHORE & CO
CHARTERED ACCOUNTANTS
PATNA

SHANTI CREATION 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. - 8 - DEFERRED TAX ASSETS		
Deferred Tax	10643.13	8854.13
TOTAL	**10643.13**	**8854.13**
NOTE NO. - 9 - INVENTORIES		
Closing Stock of Development Expenditure (WIP)	36526039.00	35882474.00
TOTAL	**36526039.00**	**35882474.00**
NOTE NO. - 10 - TRADE RECEIVABLES		
(Secured, Unsecured Considered good & doubtful)		
Debts more than 6 months	357835.00	4189862.00
Other Debts	0.00	0.00
TOTAL	**357835.00**	**4189862.00**
NOTE NO. - 11- CASH AND CASH EQUIVALENTS		
Balance with Banks		
- In Current A/C	2534124.13	133240.25
Cash in Hand	101146.00	159914.00
TOTAL	**2635270.13**	**293154.25**
NOTE NO. - 12 - SHORT TERM LOANS AND ADVANCES		
Advance Income tax	350000.00	0.00
TOTAL	**350000.00**	**0.00**

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DIRECTOR
DIN: 01936388

DIRECTOR
DIN: 02699890

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

SHANTI CREATION 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. - 13- REVENUE FROM OPERATIONS		
Sale of Flats	57778919.00	27951437.00
Total	**57778919.00**	**27951437.00**
NOTE NO. - 14 - CONSUMPTION COST		
Opening Stock of Development Expenditure (WIP)	35882474.00	19558961.00
Purchase and Expenses during the year	49166336.00	39684513.00
	85048810.00	59243474.00
Less : Closing Stock of Development Expenditure (WIP)	36526039.00	35882474.00
TOTAL	**48522771.00**	**23361000.00**
NOTE NO. - 15 - EMPLOYEE BENEFIT EXPENSE		
Salary, Bonus and Other Benefits	1076800.00	989032.00
Director's Remuneration	2760000.00	1600000.00
Staff Welfare	25370.00	18560.00
TOTAL	**3862170.00**	**2607592.00**
NOTE NO. - 16 - FINANCIAL COST		
Bank Charges	13550.12	5589.91
TOTAL	**13550.12**	**5589.91**
NOTE NO. - 17 - OTHER EXPENSES		
Printing & Stationary	42500.00	66550.00
Travelling & Conveyance	153800.00	149250.00
Office Expenses	73215.00	71131.00
Telephone & Mobile Expenses	42300.00	36880.00
Newspaper and Periodicals	3650.00	2560.00
Postage & Courier	1870.00	1580.00
Power & Fuel	53560.00	45865.00
ROC Filling Fee	7500.00	9500.00
Audit Fee	34500.00	28090.00
Interest on Service tax	0.00	64775.00
Interest on Income Tax	50550.00	13823.00
Rent	140000.00	0.00
Legal & Consultancy Charges	561055.00	0.00
TOTAL	**1164500.00**	**490004.00**

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Director

DIRECTOR
DIN: 01936388

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DIRECTOR
DIN: 02699890

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

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 consist 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.

AJAY KISHORE & CO
CHARTERED ACCOUNTANTS

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. The company had taken Interest free loan of Rs.196500.00 (in earlier years) from Mrs. Nitu Kumari, a shareholder of the company. The whole amount was repaid during the year and hence there is no outstanding as on 31st March 2016.

21. Sale is recognised on agreement value made with each flat holder.

22. Considering the nature of business, where proper supporting vouchers in respect of expenditures were not available the vouchers were internally prepared.

23. Confirmation of balances in respect of Sundry debtors,Bank balances, Unsecured Loan and other advances are in process.

24. Depreciation on fixed assets has been provided over useful lives as prescribed in Part C of Schedule - II of the Companies Act, 2013 .

25. 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. 8,854.13
During the Year (Assets)	:	Rs. 1789.00
Total Deffered Tax Assets	:	Rs. 10,643.13

26. Value of import on CIF basis : Nil

27. Expenditure in Foreign Currency : Nil

28. Earning in Foreign Currency : Nil

29. Directors waived their meeting fee.

30. Contingent Liability: NIL

31. Previous year's figures have been regrouped/rearranged wherever necessary to bring them in confirmity with current year's figures.

For AJAY KISHORE & CO.
Chartered Accountants

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS

CA ALOKMOY MAZUMDAR
PARTNER
M.No. : 054587

AJAY KUMAR
Director
DIN : 1936388