DIRECTOR'S REPORT

To,

The Members,

SHANTI CREATION PRIVATE LIMITED

Your Directors have pleasure in presenting their Annual Report for the year ended 31st March, 2014.

OPERATING RESULTS :

During the year under reference the company has made a total turnover of Rs. 240.25 lakhs net result of the year was a Profit of Rs. 2.17 lakhs.

PARTICULARS OF DEPOSITS :

The Company has not accepted any deposit from the public within the meaning of section 58 A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS :The list of the present directors as on date are as under :

1. Ajay Kumar : Director
2. Meena Sinha : Director

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

(i) that in the preparation of the annual accounts under reference, the applicable accounting standards have generally been followed along with proper explanation relating to material departure;

(ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that ware reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year under review;

(iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, I956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the directors had prepared the annual accounts for the year under reference on a going concern basis.

PARTICULARS U/S 217(1) (e) OF THE COMPANIES ACT, 1956

The particulars regarding conservation of energy and technology absorption and foreign exchange earning and out going do not apply to the present business of the company.

AUDITORS

M/s Ajay Kishore & Co.., Chartered Accountants, auditors of the company retire at the conclusion of this annual general meeting and they have signified their willingness to accept re-appointment. The Directors recommend their re-appointment.

EMPLOYEES

There is no employee drawing remuneration exceeding the ceiling prescribed in the Companies (Particulars of Employees) Rules, 1975 and hence particulars of employees under section 217(2A) have not been given.

ACKNOWLEDGEMENT

Your Directors express their sincere thanks for assistance, co-operation and support extended to your company by various Government departments and other agencies. Your Directors also wish to place on record their appreciation of dedicated efforts by the officers, staff and workers of the company at all levels.

Place: - Patna

Date : 19.09.2014

For and on behalf of the Board

Director

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

AUDITORS REPORT

TO THE MEMBERS OF
SHANTI CREATION PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **SHANTI CREATION PRIVATE LIMITED** as at 31.03.2014 and a summary of significant accounting policies and other explanatory information.

2. **Management responsibility for the financial statements.**

   The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

3. **Auditors Responsibility**

   (i) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards on auditing issued by ICAI. Those standards require that we comply with the ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

   (ii). An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

4. **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 Balance Sheet of the state of affairs of the branch as at 31st March, 2014. and

   b. In case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.

5. **Report on Other Legal and Regulatory Requirements**

   1 ***Read with para no 3,5,6 , we report that ;***

   a. Balance confirmation in respect of Sundry debtors,bank balances ,Unsecured Loan, Advance against flat and other advances not produced before us for our verification.

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

c. *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 authorised signatory.*

2 . ***As required by Section 227(3) of the Act, we report that:***

a. We have 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 be law have been kept by the company so far as appears from our examination of those books ;

c. The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account.

d. In our opinion, the Balance Sheet, and the Statement of Profit and Loss comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

CA AJAY KISHORE JHA
PARTNER
M.NO. 055086

Place : Patna
Date : 19.09.2014

SHANTI CREATION PRIVATE LIMITED

VIDYA VATIKA APARTMENT, GORAKH NATH LANE, PATNA

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No	Figures as at 31-03-2014	Figures as at 31-03-2013
EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	1	500000.00	500000.00
(b) Reserves and Surplus	2	2578892.29	2357345.59
2 Liabilities :			
(a) **Current Liabilities**	3	24989210.00	22848605.00
(b) **Non-Current Liabilities**	4	196500.00	196500.00
Total		**28264602.29**	**25902450.59**
ASSETS			
1 Non-current assets			
(a) Fixed assets	5	50128.00	61206.00
(b) Other Non Current assets	6A	0.00	9000.00
(c) Deferred Tax Asset	6B	5065.13	0.00
2 Current assets			
(a) Inventories	7	19558961.00	20613088.00
(b) Trade receivables	8	4654102.00	3292255.00
(c) Cash and cash equivalents	9	3995488.16	1325543.59
(d) Short-term loans and advances	10	858.00	601358.00
Total		**28264602.29**	**25902450.59**

Significant Accounting Policies & Notes to Accounts from Note no. 1 to 17 form an Integral part of this Financial Statements.

As per our report of even date attached

For AJAY KISHORE & CO.
Chartered Accountants

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

DIRECTOR

DIRECTOR

CA Ajay Kishore Jha
PARTNER
Mem. : 055086

Place : Patna
Date : 19.09.2014

SHANTI CREATION PRIVATE LIMITED

Notes forming part of the financial statements

PARTICULARS		Figures as at 31-03-2014		Figures as at 31-03-2013
NOTE NO. - 1- 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	40	20000	40	20000
Smt. Meena Sinha	15	7500	15	7500
Smt. Nitu Kumari	15	7500	15	7500
Smt. Saroj Singh	15	7500	15	7500
Sri Ram Kishore Singh	15	7500	15	7500
NOTE NO. - 2 - RESERVE AND SURPLUS				
Surplus				
Opening Balance		2357345.59		1100876.83
Add: Profit/ (Loss) for the Year		217620.85		1256468.76
Add: Deferred Tax Adjustment (Earlier)		3925.85		
TOTAL		2578892.29		2357345.59
NOTE NO. - 3 - CURRENT LIABILITIES				
Trade Payables (Acceptance)				
Liabilities for Supplies		0.00		532486.00
Liabilities for Expenses		28090.00		28090.00
Other Current Liabilities				
Advance against Flat		24156589.00		21360545.00
Statutory Liabilities				
Service Tax Payable		706074.00		326399.00
Short-term provisions				
Provision for Income Tax		98457.00		601085.00
TOTAL		24989210.00		22848605.00
NOTE NO. - 4 - NON-CURRENT LIABILITIES				
Long-term Borrowings				
Unsecured Loan		196500.00		196500.00
TOTAL		196500.00		196500.00
NOTE NO. - 6A - OTHER NON CURRENT ASSETS				
Misc Expenditure (to the extent not written off or adjusted)				
Preliminary Expenses		0.00		9000.00
TOTAL		0.00		9000.00
NOTE NO. - 6B - DEFERRED TAX ASSETS				
Deferred Tax		5065.13		0.00
		5065.13		0.00
NOTE NO. - 7 - INVENTORIES				
Opeing Stock of Development Expenditure (WIP)		20613088.00		10442784.00
Purchase and Expenses during the year		19695873.00		40740422.00
		40308961.00		51183206.00
Less : Cost of Flat Sold		20750000.00		30570118.00
TOTAL		19558961.00		20613088.00
NOTE NO. - 8 - TRADE RECEIVABLES				
(Secured, Unsecured Considered good & doubtful)				
Debts more than 6 months		2142575.00		626623.00
Other Debts		2511527.00		2665632.00
TOTAL		4654102.00		3292255.00
NOTE NO. - 9 - CASH AND CASH EQUIVALENTS				
Balance with Banks				
- In Current A/C		3788629.16		1288995.59
Cash in Hand		206859.00		36548.00
TOTAL		3995488.16		1325543.59
NOTE NO. - 10 - SHORT TERM LOANS AND ADVANCES				
Advance Income tax		858.00		600858.00
Security Deposits		0.00		500.00
TOTAL		858.00		601358.00

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

SHANTI CREATION PRIVATE LIMITED

NOTE NO. - '5' OF FIXED ASSETS FORMING PART OF THE BALANCE SHEET AS ON 31.03.2014

PARTICULARS	Rate	Gross Block			Accumulated Depreciation			Net Block	
		as on 01.04.2013	Addition	TOTAL	Upto 01.04.2013	During the year	TOTAL	WDV as on 31.03.2014	WDV as on 31.03.2013
Furniture & Fixtures	18.10%	91248.00	0.00	91248.00	30042.00	11078.00	41120.00	50128.00	61206.00
TOTAL Rs.		**91248.00**	**0.00**	**91248.00**	**30042.00**	**11078.00**	**41120.00**	**50128.00**	**61206.00**
Previous year's Figure		**91248.00**	**0.00**	**91248.00**	**16516.00**	**13526.00**	**30042.00**	**61206.00**	

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

SHANTI CREATION PRIVATE LIMITED

VIDYA VATIKA APARTMENT, GORAKH NATH LANE, PATNA

NOTE NO. 17 OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2014

1. 'CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared in accordance with historical cost convention and generally accept accounting principles and generally comply with the mandatory accounting standards. Significant items of income and expenditure are recognised on accrual basis.

(b) Revenue recognition

Revenue is recognised when The seller has transferred to the buyer all significant risks and rewards of ownership.The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction and there is no uncertainty exists regarding the amount of consideration received from customers.

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 on prorata basis at the rates specified in Schedule - XIV of the Companies Act, 1956 as amended from time to time.

(d) Employees Benefits

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

(e) Investment

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

(f) 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.

3. NOTES ON ACCOUNTS

1 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.

2 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.

3 The company has taken Interest free loan of Rs.196500.00 (Earlier) from Mrs. Nitu Kumari, a shareholder of the company. and It is still outstanding as on 31st March 2014.

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

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

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS PATNA

6 Regarding sales tax (VAT) on material consumed and labour cess on labour payment, management has decided that It would be accounted on payment basis because it is the matter of dispute.

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

8 Calculation of deferred tax are as under :
Deferred tax liabilities recognised for timing difference due to difference between written down value of fixed assets as per books and Income Tax

a) Depreciation (As per books)	: 11078.00
b) Depreciation (As per I.T Act)	: 7391.00
Balancing Figure (a-b)	: 3687.00
Deferred tax asset	: 1139.28 (3687.00 @ 30.9%)
Add : Deferred Tax assets(Earlier)	: 3925.85
Deferred Tax asset (Closing Balance)	: 5065.13

9. Depreciation on fixed assets has been provided at the rates specified in Schedule - XIV of the Companies Act, 1956.

10. Value of import on CIF basis : Nil

11. Expenditure in Foreign Currency : Nil

12. Earning in Foreign Currency : Nil

13. Directors waived their meeting fee.

14. Contingent Liability: NIL

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

SHANTI CREATION PRIVATE LIMITED

For AJAY KISHORE & CO.
Chartered Accountants

AJAY KISHORE & CO. CHARTERED ACCOUNTANTS ★ PATNA

CA AJAY KISHORE JHA
PARTNER
M.NO. 055086

Director