Kejriwal& CO.D.P.Colony
Chartered Accountants Dr. R.P.Road
Bhagalpur 812002
ravi_sah@live.com,9431214025,2420187

INDEPENDENT AUDITOR'S REPORT

To
The Partners
City Developers
Bhagalpur

Report on Financial Statements

We have audited the accompanying financial statements of City Developers., which comprise the **Balance Sheet as at 31st March, 2016 and** the **Statement of Profit & Loss** for the year then ended, and a summary of significant accounting policies and other explanatoryinformation.

Manager's Responsibility for the Financial Statements
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position&, financial performance. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirementsand 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 the auditor's judgement, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error.In making those risk assesements,the auditor considers internal control and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstancesbut not for the purpose of expressing an opinion on the effectiveness of Firm`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.

Basis of Qualified Opinion
The Firm was subjected to Survey operations by the Income Tax Department during the year and Undisclosed Income of Rs.1,53,27,788.00 was offered for taxation for different years by the Firm.

Qualified Opinion

Kejriwal& CO.D.P.Colony
Chartered Accountants Dr. R.P.Road

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In our opinion and to the best of our knowledge and according to the explanation given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India subject to the comments in 'Para' on Basis of Qualified Opinion:

(a)in the case of Balance Sheet ,of the state of affairs as at 31st March 2016 and;
(b)in the case of Profit & Loss Account for the year ended on that date

For Kejriwal& Co.
Chartered Accountant

(R.P.Sah)
Partner
M.No:.073731
Place: Bhagalpur
Date: 25.09.2016

City Developers

ANNUAL ACCOUNTS
F.Y.:2015-16

BALANCE SHEET AS AT 31st MARCH 2016

	SCHEDULE	FIGURES AS AT 31.03.2016	FIGURES AS AT 31.03.2015
SOURCES OF FUND:			
PARTNERS` CAPITAL			
CAPITAL ACCOUNT	1	4,84,98,968.97	3,02,80,028.92
LOAN FUND			
UNSECURED LOAN	2	32,05,677.00	21,92,025.00
TOTAL		5,17,04,645.97	3,24,72,053.92
APPLICATION OF FUND :			
FIXED ASSETS			
GROSS BLOCK	3	1,94,52,594.43	1,19,62,731.09
LESS : DEPRECIATION		20,784.76	22,397.66
NET BLOCK		1,94,31,809.67	1,19,40,333.43
INVESTMENTS			
SECURITY DEPOSIT		6,180.00	6,180.00
CURRENT ASSETS ,LOANS & ADVANCES			
INVENTORY (AS CERTIFIED BY THE MANAGEMENT)		3,04,15,581.52	1,87,88,133.00
SUNDRY DEBTORS	4	21,09,350.00	23,08,500.00
CASH & BANK BALANCES	5	8,81,152.53	1,91,839.74
LOANS & ADVANCES	6	42,54,086.00	24,08,252.00
		3,76,60,170.05	2,36,96,724.74
LESS: CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES	7	53,93,513.75	31,71,184.25
NET CURRENT ASSETS		3,22,66,656.30	2,05,25,540.49
TOTAL		5,17,04,645.97	3,24,72,053.92

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 10

AS PER OUR SEPERATE REPORT OF EVEN DATE ATTACHED HEREWITH.
FOR KEJRIWAL & CO.
CHARTERED ACCOUNTANTS
FRN:505052C

PLACE :BHAGALPUR
DATED :17.10.2016

(R.P.SAH)
PARTNER
M.No.:073731

For City Developers

Partner

City Developers

ANNUAL ACCOUNTS
F.Y.:2015-16

PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.2016

	SCHEDULE	AMOUNT 31.03.2016	AMOUNT 31.03.2015
INCOME			
SALES		85,36,500.00	1,35,26,000.00
INCREASE IN STOCK		1,16,27,448.52	-
OTHER INCOME	8	1,59,77,993.00	1,04,001.00
		3,61,41,941.52	1,36,30,001.00
EXPENDITURE			
COST OF CONSTRUCTION		1,83,14,619.00	48,15,800.22
DECREASE IN STOCK		-	48,64,343.00
ADMINISTRATIVE & OTHER EXPENSES	9	4,58,773.71	6,56,467.04
		1,87,73,392.71	1,03,36,610.26
OPERATING PROFIT (PBDIT)		1,73,68,548.81	32,93,390.74
INTEREST		49,603.00	4,35,584.00
DEPRECIATION		20,784.76	22,397.66
PROFIT BEFOR INTEREST TO PARTNERS		1,72,98,161.05	28,35,409.08
INTEREST TO PARTNERS		21,32,532.00	17,25,586.00
NET PROFIT TRANSFERRED TO CAPITAL A/C.		1,51,65,629.05	11,09,823.08

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 10

AS PER OUR SEPERATE REPORT OF EVEN DATE ATTACHED HEREWITH.

FOR KEJRIWAL & CO.
CHARTERED ACCOUNTANTS
FRN:505052C

PLACE :BHAGALPUR
DATED :17.10.2016

(R.P.SAH)
PARTNER
M.No.:073731

For City Developers

Partner

SHEDULE '1'

PARTNERS CAPITAL ACCOUNT FOR THE YEARS ENDED 31ST MARCH, 2016

NAME OF THE PARTNERS	BALANCE AS ON 01.04.2015	ADDITION	INTEREST	PROFIT	TOTAL	FIRM TAX	DRAWING	BALANCE AS ON 31.3.2016
D D Developers Private Limited	1,30,03,258.94	5,50,000.00	7,20,460.00	75,82,814.52	2,18,56,533.46	17,89,610.50	33,50,000.00	1,67,16,922.96
Puspanjali Vincom Private Limited	1,72,76,769.98	74,00,000.00	14,12,072.00	75,82,814.52	3,36,71,656.50	17,89,610.50	1,00,000.00	3,17,82,046.00
	3,02,80,028.92	79,50,000.00	21,32,532.00	1,51,65,629.05	5,55,28,189.97	35,79,221.00	34,50,000.00	4,84,98,968.97
P.Y.	3,02,49,052.84	63,25,000.00	17,25,586.00	11,09,823.08	3,94,09,461.92	7,29,433.00	84,00,000.00	3,02,80,028.92

AS PER OUR SEPERATE REPORT OF EVEN DATE ATTACHED HEREWITH.

FOR KEJRIWAL & CO.

CHARTERED ACCOUNTANTS

FRN:505052C

(R.P. Sah)

PARTNER

M.No.:073731

PLACE :BHAGALPUR

DATED :17.10.2016

For City Developers

Partner

SCHEDULES TO THE BALANCE SHEET AS AT 31.03.2016

	Balance as on 31.03.2016	Balance as on 31.03.2015
2. UNSECURED LOAN		
ABHISHEK DHANDHANIA (HUF)	3,00,266.00	21,92,025.00
ABHISHEK DHANDHANIA	4,00,395.00	-
ATUL DHANDHANIA	4,50,444.00	-
KARN DHANDHANIA	15,54,572.00	-
SANTOSH DEVI	5,00,000.00	-
	32,05,677.00	21,92,025.00
4. SUNDRY DEBTORS		
DUE AS PER WORK COMPLETED	21,09,350.00	23,08,500.00
	21,09,350.00	23,08,500.00
5. CASH & BANK BALANCES		
CASH IN HAND (AS PER BOOKS & CERTIFIED BY MANAGEMENT)	92,800.00	99,945.00
BALANCES WITH SCHEDULED BANK		
HDFC BANK	7,33,223.32	49,630.82
UNION BANK OF INDIA C/A	55,129.21	42,263.92
	7,88,352.53	91,894.74
	8,81,152.53	1,91,839.74
6. LOAN & ADVANCES		
ADVANCE RECOVERABLE IN CASH OR IN KIND	63,720.00	4,720.00
RUDRALAYA ENTERPRISES	2,49,008.00	-
NAINA SINGHANIA	10,35,607.00	-
UMAKANT	3,675.00	
MAHABIR & SONS	12,38,192.00	20,00,000.00
USHA DEVI & JAI PRAKASH	54,801.00	
ADVANCE TAX	16,01,816.00	3,80,118.00
SERVICE TAX RECOVERABLE	-	16,147.00
INCOME TAX REFUNDABLE	7,267.00	7,267.00
	42,54,086.00	24,08,252.00
7. CURRENT LIABILITIES		
SUNDRY CREDITORS FOR GOODS	-	2,93,850.00
SUNDRY CREDITORS FOR EXPENSES	15,04,135.50	25,234.00
FLAT BOOKING ADVANCE	38,26,968.00	28,00,000.00
RENT SECURITY	8,500.00	8,500.00
BALKRISHNA MAWANDIA	11,000.00	-
RAJESH KUMAR MAWANDIA	10,500.00	-
SUSHIL KUAMR MAWANDIA	10,500.00	-
SRI GANESH JEE MAHARAJ	1.25	1.25
SERVICE TAX PAYABLE	5,958.00	-
T.D.S.	15,951.00	43,599.00
	53,93,513.75	31,71,184.25

AS PER OUR SEPERATE REPORT OF EVEN DATE ATTACHED HEREWITH.
FOR KEJRIWAL & CO.
CHARTERED ACCOUNTANTS

PLACE :BHAGALPUR
DATED :17.10.2016

FRN:505052C

(R.P. SAH)
PARTNER
M.No.:073731

For City Developers

Partner

FIXED ASSETS - SCHEDULE '3'

ITEM	RATE	W.D.V. AS ON 01.04.2015	ADDITION DURING THE YEAR		DEDUCTION DURING THE YEAR	TOTAL	DEPRECIATION FOR THE YEAR	W.D.V. AS ON 31.03.2016
			AMOUNT	DATE				
Land & Building								
Land		1,18,20,115.00	74,77,761.00	28.08.2015	-	1,92,97,876.00	-	1,92,97,876.00
		1,18,20,115.00	74,77,761.00		-	1,92,97,876.00	-	1,92,97,876.00
Furniture & Fittings								
FURNITURE	10%	61,203.73			-	61,203.73	6,120.37	55,083.35
		61,203.73	-		-	61,203.73	6,120.37	55,083.35
Equipments-15%								
BATTERY & INVERTOR	15%	7,146.26	13,600.00	25/06/2016	2,600.00	18,146.26	2,721.94	15,424.32
FAN	15%	2,606.42			-	2,606.42	390.96	2,215.46
GENERATOR	15%	10,846.68	15,000.00	21/11/2015	-	25,846.68	2,752.00	23,094.68
AIRCONDITIONER	15%	25,287.50			-	25,287.50	3,793.13	21,494.38
MOTORCYCLE	15%	9,211.88			-	9,211.88	1,381.78	7,830.09
VOLTAS WATER DISPEN	15%	-	8,500.00	12/08/2015		8,500.00	1,275.00	7,225.00
		55,098.74	37,100.00		2,600.00	89,598.74	12,314.81	77,283.93
Equipments-60%								
COMPUTER	60%	3,376.24			-	3,376.24	2,025.74	1,350.50
UPS	60%	539.72			-	539.72	323.83	215.89
		3,915.96	-		-	3,915.96	2,349.58	1,566.38
Total		1,19,40,333.43	75,14,861.00		2,600.00	1,94,52,594.43	20,784.76	1,94,31,809.67
		1,19,62,731.09	-		-	1,19,62,731.09	22,397.66	1,19,40,333.43

Signed for Identification only
For,KEJRIWAL & Co.
Chartered Accountants
FRN.:505052C

(R.P. SAH)
Partner.
M.No.:073731

Place : Bhagalpur
DATED :17.10.2016

For City Developers

Partner

SCHEDULES OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2016

	AMOUNT 31.03.2016	AMOUNT 31.03.2015
8. OTHER INCOME:		
INTEREST	19,448.00	53,001.00
INTEREST FROM OTHERS	5,22,807.00	-
RENT	1,07,950.00	51,000.00
INCOME DISCLOSED AGAINST KRISHNAM FLAT	1,53,27,788.00	-
	1,59,77,993.00	1,04,001.00
9. ADMINISTRATIVE & OTHER EXPENSES :		
SALARY	3,05,250.00	2,70,054.00
RENT	24,000.00	24,000.00
ELECTRICITY	23,071.00	22,571.00
SALES COMMISSION	-	2,26,440.00
ADVERTISEMENT	2,500.00	4,000.00
MUNICIPAL TAX	-	4,345.00
TELEPHONE	16,100.00	15,357.00
OFFICE EXP.	47,537.00	41,058.78
PRINTING & STATIONERY	5,933.00	2,791.00
LEGAL EXPENSES	3,607.50	22,792.00
BANK COMMISSION	852.21	578.26
OFFICE REPAIRS & MAINTAINANCE	4,100.00	-
MOTOR CYCLE EXPENSES	20.00	1,979.00
INTEREST FOR DELAYED REMITT.OF TAXES	2,803.00	3,401.00
AUDIT FEES	23,000.00	17,100.00
	4,58,773.71	6,56,467.04

For City Developers

Partner

Accounts for the Year ended 31st March,2016

	31.03.2016	31.03.2015
Sundry Creditors for Expenses:		
Krishnam Project		
Kejriwal & Co.	23,572.50	25,234.00
Usha Devi Dhandhania(Rent)	24,000.00	
Rajbari Project		
Saibal Sen	3,625.00	-
Light Centre	344.00	-
Shivam Project		
Vinod Staff	3,500.00	
Sacchoo Contractor	8,63,664.00	-
Amox Chemical Pvt Ltd	14,000.00	-
Light Centre	706.00	-
Om Prakash Singh	5,69,066.00	-
Ultratech Cement Ltd	1,658.00	-
	15,04,135.50	25,234.00
Advance to Suppliers:		
Krishnam Project		
Ultratech Cement Limited	4,720.00	4,720.00
Rajbari Project		
Sunil Kumar Singh	27,750.00	-
Shivam Project		
Ranjeet Kumar	31,250.00	-
	63,720.00	4,720.00
CREDITORS FOR GOODS		
Ideal Distributor	-	1,59,950.00
Om Prakash Singh	-	1,33,900.00
	-	2,93,850.00

For City Developers

Partner

SCHEDULE-:'10'

Notes to Accounts:

Significant Accounting Policies:

1.1The Financial statements have been prepared under the historical cost convention on mercantile basis except for Telephone and Electricity and comply with the Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India("ICAI"), to the extent applicable .

The preparation of financial statements in accordance with generally accepted accounting principles requires that the Assessee makes estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of financial statements and the reported amounts of revenue and expenses during the reporting period. The Assessee believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.2**Revenue and Cost Recognition**

The Firm derives its income mainly from Real Estate Development activities. Income is recognized on Percentage Completion method .Income is recognized in the period of advance received attributable to Percentage of Completed Project in line with Ind AS -11

Cost is recognized to the extent incurred and matched against revenue recoginsed on the basis of advance received against percentage of completed work.Computation of Gross Margin for the year is as under:

A	(i)	Total Proposed Built Up Area		31046
	(ii)	Average Sale Rate		2230
	(iii)	Expected Total Project Value		**69232580**
		Already Sold	51909535	
		Balance Saleable Value	17323045	
B	(i)	Cost Incurred till 31.03.2015		*54442446.51*
	(ii)	Expected Cost to be incurred as per Original Plan to complete the Project		Nil
	(iii)	Total Project Cost		54442446.51
C		Gross Rellisation from Project (A)-(B)		**14790133.49**
D		Advance Received till date		**58221535**
E		Percentage of Advance to Total Sales Value		84.10
F		Percentage Progress Achieved in terms of Advance and Work Completion whichever is lower		100.00
H		**Gross Realisation attributable to D as a percentage of C**		**12437847.54**
I		**Profit recognised earlier**		**10588518.02**

For City Developers

Partner

J	**Profit to be recognised for the Year**	**1849329.52**

1.3Fixed Assets and Depreciation
Fixed Assets are carried at W.D.V. Cost of acquisition for the purpose of booking the asset item is arrived at by including all the expenses incurred in bringing the asset to the place of user and taking it to the stage of ready for user.

Depreciation is provided on the basis of W.D.V. method on the opening W.D.V. as adjusted for additions/deletions as per the rates prescribed under Appendix I to the Income Tax Rules,1961

1.4Valuation of Inventory
Stock-in-trade is valued at Cost Price based on Balance of Cost incurred on the Project left after set off of matched cost against revenue for the period in terms of Ind AS -11.

1.5 Investments
Investments are stated at cost of acquisition and are stated at Cost of Acquisition for Long Term Investments and only Short Term Investments are marked to market.

2. DISCLOSURES PERTAINING TO MICRO & SMALL ENTERPRISES:
According to the proprietor none of the parties have informed regarding theirself being registered under the Micro and Small Enterprises Act.Hence, in the absence of applicability to the parties the disclosure requirements under the Act is being taken as under:

a)i)The Principal amount remaining unpaid to any supplier at the end of the Accounting Year	Nil
ii)The Interest due on above	Nil
The Total of (i) & (ii) above	Nil
b)The amount of interest paid by the buyer in terms of Sec.16 of the Act	Nil
c)The amount of interest accrued and remaining unpaid at the end of the Financial Year	Nil
d)There are no Micro and Small Enterprises ,to whom the Firm owes dues which are outstanding for more than 45 days at the Balance Sheet date computed on unit wise basis.The above information that is given is as informed by the Proprietor and relied upon by the auditors	Nil

3. Related Party Transactions

Names of related parties with whom transactions entered and nature of relationship:

Category of related parties	Names
Key Management Personnel ,there relatives and Associates	Atul Dhandhania
	Abhishekh Dhandhania
	Navaneet Dhandhania

For City Developers

Partner

	Rajkumar Dhandhania Dhandhania
	Karn Dhandhania
	Beena Dhandhania
	Meena Dhandhania
	Dhanlaxmi Dhandhania
	Shyamlata Dhandhania
	Usha Devi Dhandhania
	Priyanka Dhandhania
	Naina Singhania
	Girdhari Lal Kejriwal

Name of Party	Nature of Transaction	Amount involved
Puspanjal Vincom Pvt. Ltd..	Interest	Rs.1412072.00
D D Developers Pvt. Ltd.	Interest	Rs.720460.00
Abhisekh Dhandhania HUF	Interest	Rs.43684.00
Rajkumar Dhandhania	Salary	Rs.120000.00
Usha Devi Dhandhania	Rent	Rs. 24000.00
Karn Dhandhania	Interest	Rs.5080.00
Atul Dhandhania	Interest	Rs.444.00
Abhishek Dhandhania	Interest	Rs.395.00

For,KEJRIWAL & Co.
Chartered Accountants
FRN:505052C

(R.P.Sah)
Partner
M.No.:073731

Bhagalpur
17.10.2016

For City Developers
Girdharilal Kejriwal

Partner