

F.Y- 2015-16

AUDIT REPORT

YEAR: 2015-16

STAR INDIA CONSTRUCTION PVT. LTD.
ADHARSHILA COMPLEX, SOUTH GANDHI MAIDAN
Patna- 800 001

Auditor

M/S SUBODH GOEL & CO.
Chartered Accountants

Head Office:

202, Rani Plaza, Exhibition Road,
PATNA - 800 001

Branch Office:

7, Premkunj, Civil Lines
RAIPUR - 492 001

Branch Office -2:

A-501 Siddhivinayak Darshan, Chs,
Above Union Bank Of India,
Sanghavi Garden, Manpada Road,
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Chartered Accountants

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Independent Auditor's Report

To The Members STAR INDIA CONSTRUCTION PRIVATE LIMITED

CIN NO. U45201BR1995PTC006640

Report on the Financial Statements:

We have audited the accompanying financial statements of **M/s STAR INDIA CONSTRUCTION PRIVATE LIMITED ('the Company')** which comprise the Balance Sheet as at **31st March, 2016**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial Statements:

Balance of Sundry receivables and payables are subject to formal confirmation. All sundry debtors are unsecured but considered good by the management to the extent of their book value.

Our opinion is not modified in respect of these matters.

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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanation 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 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.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in 'Annexure B'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Subodh Goel & Co.
Chartered Accountants

(SUBODH KUMAR GOEL)

M.NO.-74835

Partner

Place: Patna

Date : 07-07-2016

M/s STAR INDIA CONSTRUCTION PRIVATE LIMITED

CIN NO. U45201BR1995PTC006640

Referred to paragraph as stated above of our report of even date.

ANNEXURE-A

Further to our comments in the annexure referred to above, we report that: -

(i)	(a)	Since, the records pertaining to fixed assets of the company were not produced for our verification, we are unable to comment on whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
	(b)	Since, the records pertaining to fixed assets of the company were not produced for our verification; we are unable to comment on the physical verification procedure adopted for verification of fixed assets followed by the management.
	(c)	The company does not have immovable property. Hence the provisions of the clause 1(c) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company;
(ii)		The physical verification of inventory has been conducted at reasonable intervals by the management and material discrepancies noticed on such verification have been properly dealt with in the books of account.
(iii)		The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013
(iv)		The company has not granted any loans or made any investment or provided any security which needs to be complied with the provisions of section 185 and 186 of the Companies Act, 2013.

(v)	The company has not accepted any deposit from public within the meaning of the word “deposit” as defined under Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014. In our opinion, and according to the information and explanations given to us, there is no noncompliance to the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 wherever applicable. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal upon the Company.	
(vi)	We have broadly reviewed the books of account relating to material, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 and are of the opinion that <i>prima-facie</i>, the prescribed accounts and records have been made and maintained.	
(vii)	(a)	According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is not regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues during the year as applicable with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable except Service tax of Rs.22,98,488.50 as on 31st March 2016.
	(b)	In our opinion, according to the information and explanations given to us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
(viii)	In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.	
(ix)	In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instrument) and company has applied money raised by way of term loans for the purpose for which those are raised by the company.	

(x)	During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or any fraud on the company by its officers/employees, noticed or reported during the year, nor have been informed of such case by the management.
(xi)	In respect of managerial remuneration paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act is Not Applicable to the Company.
(xii)	The company is not a Nidhi Company. Hence the provisions of the clause 4(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
(xiii)	All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc as required by the applicable accounting standards
(xiv)	The company has not made any preferential allotment/ private placement of shares or fully or partly convertible debentures during the year under review which needs to be complied with section 42 of the Companies Act, 2013.
(xv)	The company has not entered into any non cash transactions with directors or persons connected with him which needs to be complied with the provisions of section 192 of Companies Act, 2013.
(xvi)	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For Subodh Goel & Co.

Chartered Accountants

(SUBODH KUMAR GOEL)

M.NO.-74835

Partner

Firm Reg. No- 006103C

Place: Patna

Date: 07.07.2016



SUBODH GOEL & CO.

Chartered Accountants

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M/s STAR INDIA CONSTRUCTION PRIVATE LIMITED

CIN No. : U45201BR1995PTC006640

FINANCIAL YEAR ENDED 31ST MARCH 2016

Annexure "B" to the Independent Auditor's Report of even date on The Standalone Financial Statements of **M/s STAR INDIA CONSTRUCTION PRIVATE LIMITED**.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s STAR INDIA CONSTRUCTION PRIVATE LIMITED** as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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". 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Division's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

Company's internal financial control 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 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 commensurate with the nature of the business of the company and operating effectively as at March 31, 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 Subodh Goel & Co.

Chartered Accountants
Subodh Goel

(SUBODH KUMAR GOEL)

M.NO.-74835

Partner

Firm Reg. No- 006103C

Place: Patna

Date: 07-07-2016



SUBODH GOEL & CO.

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FORM NO. 29B

[See rule 40B]

Report under section 115JB of the Income Tax Act, 1961, for computing the book profits of the company

- 1 We have examined the accounts and records of M/s Star India Construction Private Limited, and PAN No. - AADCS9275K engaged in the business of Real Estate Builder and Developer, in order to arrive at the book profits during the year ended on the 31 March, 2016.
2. (a) We certify that the book profit has been computed in accordance with the provisions of this section. The tax payable under section 115JB of the Income-tax Act in respect of the assessment year 2016-17 is Rs. 3,87,123.00, which has been determined on the basis of the details in Annexure A to this Form.
- 3 In our opinion and to the best of our knowledge and according to the explanation given to us the particulars given in Annexure A are true and correct.

For Subodh Goel & Co.

Chartered Accountants

(SUBODH KUMAR GOEL)

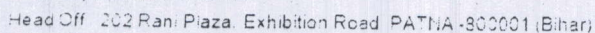
M.NO.-74835

Partner

Firm Reg. No- 006103C

Place: Patna

Date: 07-07-2016



skgoelfca@gmail.com

[illegible]

[See paragraph 2]

Details relating to the computation of book profits for the purpose of section 115JB of the Income Tax Act, 1961

1	Name of the assessee	STAR INDIA CONSTRUCTION PRIVATE LIMITED
2	Particulars of address	Adharshila Complex, South Gandhi Maidan, Patna
3	Permanent Account Number	AADCS9275K
4	Assessment year	2016-17
5	Total income of the company under the Income-tax Act	25,04,750.00
6	Income -tax payable on total income	7,51,425.00
7	Whether Profit and Loss Account is prepared in accordance with the provisions of Parts II of Schedule III to the Companies Act, 2013	Yes
8	Whether the Profit and Loss Account referred to in column 7 above has followed the same accounting policies, accounting standards for preparing the profit and loss account and the same method of rates for calculating depreciation as have been adopted for preparing accounts laid before the company at its annual general body meeting? If not, the extent and nature of variation be specified	Yes
9	Net Profit according to Profit and Loss Account referred to in (7) above	11,85,143.76
10	Amount of net profit as shown in Profit and Loss Account as increased by the amounts referred to in clauses(a) to (f) of Explanation of sub-section(2) of this section(file working seperately, where required)	23,23,196.03
11	The amount as referred to in item 10 as reduced by the amounts referred to in clauses(i) to (vii) of Explanation of sub-section(2) of this section(file working seperately,where required)	14,15,784.03
12	Book profit as computed according to Explanation given in sub-section(2)	20,92,555.76
13	18.5% of Book Profit as computed in 12 above	3,87,123.00
14	In case income-tax payable by the company referred to at Sl.No.6 is less than 18.5% of its book profits shown in column 12, the amount of income-tax payable by the company would be 18.5% of column 12, i.e. as per(13).	7,51,425.00