

Statutory Audit Report of

BHANDERI KATHWADA PRIVATE LIMITED

***B/12, JABUKA COMPEX,
NR. BAJRANG ASHRAM
N.H.-8, THAKKARBAPANAGAR
AHMEDABAD-382350***

Financial Year

03.04.2018 to 31.03.2019



: Auditors :

S M KIKANI & ASSOCIATES

Chartered Accountants

Add: D-7, BHAVNA APARTMENTS

NARAYANNAGAR

PALDI-VASNA ROAD, AHMEDABAD - 380007



S M Kikani & Associates

Chartered Accountants

D/7, Bhavna Appartment, Narayannagar,
Paldi-vasna Road, Ahmedabad-380007

Mob. No.: +91 9408677353 E-Mail ID:sahishnu3105i@gmail.com

Independent Auditors' Report

To the Members of BHANDERI KATHWADA PRIVATE LIMITED

We have audited the accompanying Financial Statements of **BHANDERI KATHWADA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss 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 Financial Statements

The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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 from material misstatement.





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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 financial control relevant to the Company's preparation of the Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the above said 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended April 03, 2018 to March 31,2019; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended April 03,2018 to March 31,2019 that date.

Report on Other Legal and Regulatory Requirements

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" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as 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;

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;





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- e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
- f) 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 derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund.

**FOR S.M. Kikani & Associates
CHARTERED ACCOUNTANTS,
FIRM REG. NO. 142207 W**

S.M. Kikani

**SAHISHNU KIKANI
PROPRIETOR
MEM. NO. 170146
Place: AHMEDABAD
Date: 23/05 /2019**



Annexure- A to the Auditors' Report

Annexure referred to in Independent Auditors' Report to the members of BHANDERI KATHWADA PRIVATE LIMITED ("the Company") on the financial statements for the period ended 31st March, 2019, we report that:

- (i) The Company has not any fixed assets during the previous year, thus, paragraph 3(i) of the order is not applicable to the Company.
- (ii) The Company has not carried out any business activity accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) As informed and explanation provided to us, the Company has not granted any loans, secured or unsecured, to the companies, firms, limited liabilities partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence clause (iii) (a), (iii) (b) and (iii) (c) of the Order are not applicable to the Company.
- (iv) Based on the information and explanations provided to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act 2013 in respect of loans, investments, guarantee and securities.
- (v) As per the information and explanation given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provision of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made there under are not applicable.
- (vi) In our opinion, as per the explanation and information provided to us, requirement regarding maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 does not apply to the company.
- (vii) (a) According to the information and explanations given to us and on basis of our examination of the records of the Company, amount deducted /accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have dues on accounts of employees' state insurance and duty of excise.



According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax and sales tax, duty of excise, service tax and value added tax which have not been deposited with the appropriate authorities on accounts of any dispute.

- (viii) The Company does not have any loan and borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, Paragraph 3(Viii) of the Order is not applicable.
- (ix) The Company did not raise any money by the way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the provisions related to managerial remuneration under section 197 of the Companies Act, 2013 is not applicable to the Company, hence clause (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and bases on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements are required by the applicable accounting standards.
- (xiv) In our Opinion and according to the information and explanation provided to us, the company not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the companies Act, 2013, hence clause (xiv) of the order is not applicable.



- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company not entered into non cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

**FOR S.M. Kikani & Associates
CHARTERED ACCOUNTANTS,
FIRM REG. NO. 142207 W**

S.M. Kikani



**SAHISHNU M KIKANI
PROPRIETOR
MEM. NO. 170146
Place: AHMEDABAD
Date: 23/05/2019**

Bhanderi Kathwada Private Limited

Balance Sheet for the period ended 31.03.2019

(Amount in Rs.)

| Particulars | Note No. | As at 31.03.2019 |
|--|----------|---------------------|
| <u>Equity & Liabilities</u> | | |
| <u>Shareholders' Funds</u> | | |
| Share Capital | 2 | 10,00,000 |
| Reserves & surplus | 3 | (47,190) |
| <u>Non Current Liabilities</u> | | |
| Long Term Borrowings | 4 | 1,93,37,000 |
| Other Long Term Liabilities | | - |
| <u>Current Liabilities</u> | | |
| Other Current Liabilities | 5 | 27,190 |
| Short term Provisions | 6 | 10,000 |
| Total | | 2,03,27,000 |
| <u>Assets</u> | | |
| <u>Non Current Assets</u> | | |
| Fixed Assets | | - |
| Tangible Assets | | - |
| Non Current Investments | | - |
| Deferred tax Assets | | - |
| <u>Current Assets</u> | | |
| Inventories | 7 | 1,92,87,481 |
| Cash and Cash Equivalents | 8 | 10,39,519 |
| Short Term Loans and Advances | | - |
| Other Current Assets | | - |
| Total | | 2,03,27,000 |

Summary of Significant Accounting Policies

1

Notes on Financial Statements and other disclosures

2 - 14

As per our Report of even date

For S.M. Kikani & Associates

Chartered Accountants

Firm Reg. No. 142207 W

Sahishnu M. Kikani

Proprietor

M. No. 170146

Ahmedabad

Date : 23.05.2019



For and on behalf of the Board

Sunil Patel Dhirubhai

Director

DIN No. 00307827

Ahmedabad

Date : 23.05.2019

Dhirubhai Bhanderi

Dhirubhai Bhanderi

Director

DIN No. 02043847

Bhanderi Kathwada Private Limited

Statement of Profit and Loss for the period ended on 31st March, 2019 (Amount in Rs.)

| Particulars | Note No. | Year Ended 31.03.2019 |
|--|----------|--------------------------|
| Revenue | | |
| Revenue from Operations | | - |
| Other Income | | - |
| Total Revenue | | <u>-</u> |
| Expenses | | |
| Changes in Inventories | 8 | - |
| Direct Expenses | | - |
| Depreciation and Amortisation Expenses | | - |
| Other Expenses | 9 | 47,190 |
| Total Expenses | | <u>47,190</u> |
| Profit/Loss Before Tax | | <u>(47,190)</u> |
| Tax Expenses | | |
| Current tax | | - |
| Short/(Excess) Provision for Tax | | - |
| Deferred Tax (Assets) / Liabilities | | - |
| Profit/Loss for the period | | <u>(47,190)</u> |
| Earning per Equity Share | 10 | |
| (1) Basic | | (0.47) |
| (2) Diluted | | (0.47) |

Summary of Significant Accounting Policies
Notes on Financial Statements

1
2 - 14

As per our Report of even date

For and on behalf of the Board

For S.M. Kikani & Associates
Chartered Accountants
Firm Reg. No. 142207 W

S.M. Kikani
Sahishnu M Kikani
Proprietor
M. No. 170146

Ahmedabad
Date : 23.05.2019



Sunil Patel
Sunil Patel Dhirubhai Dhirubhai Bhanderi
Director Director
DIN No. 00307827 DIN No. 02043847

Ahmedabad
Date : 23.05.2019

Bhanderi Kathwada Private Limited

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CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2019

(Amount in Rs.)

| PARTICULARS | 31.03.2019 |
|--|------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | |
| Net Profit before tax and extraordinary items | (47,190) |
| Adjustment for | |
| Add: Depreciation | - |
| Add: Depreciation | - |
| Operating profit before working capital changes | (47,190) |
| Adjustment for | |
| Inventory | - |
| Trade Receivable | 25,190 |
| Trade Payables | 2,000 |
| Other Current liabilities | 10,000 |
| Short-term Provision | - |
| Other Current Assets | 37,190 |
| Working Capital changes | (10,000) |
| Cash Generated From Operation | - |
| Income Taxes Paid | (10,000) |
| A. Cash Flow From Operating Activities | |
| B. CASH FLOW FROM INVESTING ACTIVITIES | |
| Purchase of Long Term Investment (Including share of minority) | - |
| Purchase of Fixed Assets (Net) | - |
| Cash Flow From Investing Activities | |
| C. CASH FLOW FROM FINANCING ACTIVITIES | |
| Proceeds from conversion/issuance of Share Warrant | - |
| Short Term Loans and Advances | 75,814 |
| Proceeds from Long / Short Term Borrowings | - |
| Dividend Received | 75,814 |
| Cash Flow From Financing Activities | |
| Net increase/(decrease) in cash and cash Equivalents | 65,814 |
| Opening balance of Cash and Cash Equivalents | 9,73,705 |
| Closing Balance Of Cash and Cash Equivalents | 10,39,519 |

As per our Report of even date
For S.M. Kikani & Associates
Chartered Accountants
Firm Reg. No. 142207 W

S.M. Kikani
Sahishnu M Kikani
Proprietor
M. No. 170146

Ahmedabad
Date : 23.05.2019



For and on behalf of the Board

[Signature]
Sui Dhirubhai Bhanderi
Dir Director
DII DIN No. 02043847

Ahmedabad
Date : 23.05.2019

Bhanderi Kathwada Private Limited

Notes to the Financial Statements for the period ended 31st March, 2019

Corporate Information

Bhanderi Happiness Private Limited is incorporated on April 03, 2018 under the provisions of the Companies Act, 2013. The Company is engaged in the business of Real Estate Development, Land Development, Area Estate and Site Development.

1 Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The financial statements have been prepared under historical cost convention and on accrual basis of accounting. The Company has prepared these financial statements in accordance with the Generally Accepted Accounting Principles in India and to comply in all material respects with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

b. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period.

Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

c. Inventories

Inventories are valued at cost or Market value whichever is lower.

d. Revenue Recognition

Revenue is recognised on accrual basis to the extent it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured.

e. Earnings Per Share

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with the Accounting Standard 20 on Earning Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

f. Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2 Share Capital

| Particulars | As at 31.03.2019 |
|---|---------------------|
| Authorized | |
| 1,00,000 Equity shares of Rs. 10/- each | 10,00,000 |
| | 10,00,000 |
| Issued, Subscribed & Paid Up | |
| 1,00,000 Equity shares of Rs. 10/- each | 10,00,000 |
| | 10,00,000 |



Bhanderi Kathwada Private Limited

Notes to the Financial Statements for the period ended 31st March, 2019

Notes

a) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of `10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% equity shares of the Company

| Equity share of Rs 10/- each fully paid up | 31-Mar-2018 | |
|---|--------------|-----------|
| | No of shares | % holding |
| Bhanderi Infracon Limited | 75,000 | 75.00% |
| Sunil Dhirubhai Patel | 7,500 | 7.50% |
| Dhirubhai M. Patel | 7,500 | 7.50% |

As per the records of the company, including its register of the members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownerships of shares.

3 Reserve and Surplus

| Particulars | As at 31.03.2019 |
|-----------------------|---------------------|
| Profit & Loss Account | |
| Opening balance | (47,190) |
| Add : During the year | <u>(47,190)</u> |

4 Long term borrowings

| Particulars | As at 31.03.2019 |
|---------------------------|---------------------|
| Unsecured loan | |
| Loan from directors | 1,93,37,000 |
| Loan from Others | |
| Loan from Body Corporates | |
| | <u>1,93,37,000</u> |

5 Other Current Liabilities

| Particulars | As at 31.03.2019 |
|------------------|---------------------|
| Sundry Creditors | 25,190 |
| Duties & Taxes | 2,000 |
| | <u>27,190</u> |

6 Short term Provisions

| Particulars | As at 31.03.2019 |
|--------------------------|---------------------|
| Provision for Audit Fees | 10,000 |
| | <u>10,000</u> |

7 Inventories

| Particulars | As at 31.03.2019 |
|---------------|---------------------|
| Closing Stock | 1,92,87,481 |
| | <u>1,92,87,481</u> |

8 Cash and Cash Equivalents

| Particulars | As at 31.03.2019 |
|---------------------|---------------------|
| Cash on hand | 705 |
| Balances with banks | |
| In Current accounts | 10,38,814 |
| | <u>10,39,519</u> |



Bhanderi Kathwada Private Limited

Notes to the Financial Statements for the period ended 31st March, 2019

9 Changes in Inventories (Construction WIP)

| Particulars | As at 31.03.2019 |
|----------------------|---------------------|
| Opening Stock | 1,92,87,481 |
| Less : Closing Stock | 1,92,87,481 |
| | - |

10 Other Expenses

| Particulars | As at 31.03.2019 |
|-------------------|---------------------|
| Audit Fees | 10,000 |
| Bank Charges | 8,500 |
| Professional Fees | 15,300 |
| ROC Charges | 13,390 |
| | 47,190 |

11 Earnings Per Share

| Particulars | As at 31.03.2019 |
|--|---------------------|
| Net profit after tax available for equity shareholders (Rs.) | (47,190) |
| Weighted average number of equity shares of Rs. 10/- each | |
| Number of share at the beginning of the period | 1,00,000 |
| Number of share at the end of the period | 1,00,000 |
| Basic and diluted earning per share (Rs.) | (0.47) |

12 Related Party Disclosure

A Key Managerial Person ('KMP')

Sunil Patel Dhirubhai Director
Dhirubhai Bhanderi Director

B There is no related party transactions during the period ended 31.03.2018.

13 Auditors' Remuneration

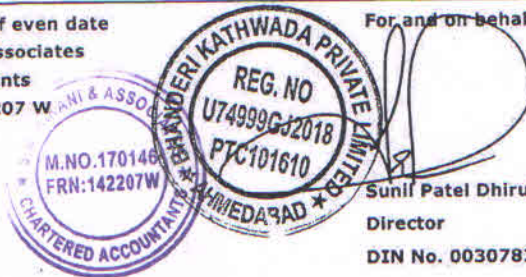
| Particulars | Year ended 31.03.2019 |
|--------------|--------------------------|
| Audit Fees | 10,000 |
| Total | 10,000 |

14 In the opinion of the Management, the Current Assets, Loans & Advances are approximately of the value stated and are realizable in the ordinary course of business. The provisions for all known liabilities are adequate.

As per our Report of even date
For S.M. Kikani & Associates
Chartered Accountants
Firm Reg. No. 142207 W

S.M. Kikani
Sahishnu M Kikani
Proprietor
M. No. 170146

Ahmedabad
Date : 23.05.2019



For, and on behalf of the Board

Sunil Patel Dhirubhai
Director
DIN No. 00307827

Ahmedabad
Date : 23.05.2019

Dhirubhai Bhanderi

Dhirubhai Bhanderi
Director
DIN No. 02043847