

**CIN: U45200GJ2015PTC082484**

**ESSEM INFRA PRIVATE LIMITED**  
**(Subsidiary of Ganesh Housing Corporation Limited)**

**3<sup>RD</sup> ANNUAL REPORT**  
**2016-2017**

**ESSEM INFRA PRIVATE LIMITED**

<b>BOARD OF DIRECTORS</b>	:	Mr. Dipak G. Patel Mr. Shekhar G. Patel Mr. Ashish H. Modi Mr. Paresh M. Patel	- - - -	Chairman (DIN: 00004766) Director (DIN: 0000 5091) Director (DIN: 0250 6019) Director (DIN: 0018 5346)
<b>AUDIT COMMITTEE</b>	:	Mr. Shekhar G. Patel Mr. Ashish H. Modi Mr. Paresh M. Patel		
<b>NOMINATION AND REMUNERATION COMMITTEE</b>	:	Mr. Shekhar G. Patel Mr. Ashish H. Modi Mr. Paresh M. Patel		
<b>CORPORATE SOCIAL RESPONSIBILITY COMMITTEE</b>	:	Mr. Dipak G. Patel Mr. Ashish H. Modi Mr. Paresh M. Patel		
<b>AUDITORS</b>	:	J. M. Parikh & Associates Chartered Accountants Ahmedabad		
<b>REGISTERED OFFICE</b>	:	Ganesh Corporate House 100 ft. Hebatpura – Thaltej Road, Nr. Sola Bridge, Off S. G. Highway, Thaltej, Ahmedabad – 380 054		
<b>BANKER</b>	:	Tamilnad Mercantile Bank Ltd Axis Bank Ltd.		

**ESSEM INFRA PRIVATE LIMITED**  
**CIN: U45200GJ2015PTC082484**

**DIRECTORS' REPORT**

To,  
The Members of  
Essem Infra Private Limited

Dear Members,

Your Directors are pleased to present the Second Annual Report together with the Statement of Accounts for the year ended at 31<sup>st</sup> March, 2016.

**STATEMENT OF COMPANY'S AFFAIRS:**

( In Rs.)

PARTICULARS	Year Ended 31/03/2017 Amount (In Rs.)	Year Ended 31/03/2016 Amount (In Rs.)
Total Income	1607908764	1025903589
Total Expenditure	(1298465855)	(492465960)
Profit/(Loss) before tax	309442909	533437629
Provision for tax	(105000000)	(165000000)
Provision for Deferred Tax	3988	(12049933)
Profit/(Loss) after Tax	204446897	356387696
<b>Add:</b> Opening Balance of Profit & Loss A/c	279435206	(26952490)
Profit/(Loss) transferred to Balance Sheet	533882103	329435206

**NATURE OF BUSINESS:**

The Company has launched two (2) projects namely, Maple Tree and Maple Trade Centre for construction of Residential Apartments, Shops and Commercial Offices near Surdhara Circle, SAL Road, Ahmedabad. The Company acquired the land for construction of the above mentioned schemes by way of auction organized by Charity Commissioner, Ahmedabad. At present the construction work for all these two (2) schemes are in full swing.

**REVIEW OF OPERATIONS:**

The Ministry of Corporate Affairs (MCA), vide its notification in official gazette dated February 16, 2015 notified the Indian Accounting Standards (IND AS) applicable to certain classes of Companies. IND AS has replaced the existing Indian GAAP prescribed under Section 133 of Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014. Accordingly, the Company adopted IND AS with effect from 1st April, 2016, with a transition date of 1st April, 2015. Previous year's figures have been restated and audited by the Statutory Auditors of the Company, namely, M/s. J. M. Parikh & Associates, Chartered Accountant,

Ahmedabad. The reconciliation and description of effect of the transition from IGAAP to IND AS have been provided in Note No. 24 in the notes forming part of accounts.

### **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as **Annexure A** to this Report.

### **DETAILS OF BOARD MEETINGS**

<b>Sr. No</b>	<b>Date of Meeting</b>	<b>No of Directors attended</b>
1	05/04/2016	6
2	23/05/2016	6
3	11/08/2016	6
4	12/09/2016	6
5	29/10/2016	6
6	07/11/2016	6
7	19/01/2017	6

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provision contained in Section 134(5) of the Companies Act, 2013, the Directors of your Company state that:

- a) in the preparation of the annual accounts for the financial year 31st March, 2017 the applicable accounting standards had been followed. There are no material departures in the adoption of the applicable Accounting Standards;
- b) the Directors have selected such appropriate accounting policies and applied them consistently and made judgments and estimates that are 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 loss of the company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a "going concern" basis;
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **HOLDING COMPANY**

Ganesh Housing Corporation Limited is the holding company and holds 75% of the total paid up Equity share capital of the Company .

### **REDEMPTION OF UNLISTED SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES**

During the year under review the Company has redeemed 31,72,500 Unlisted Secured Redeemable Non-Convertible Debentures of the face value of Rs. 100 each.

## **PARTICULAR OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186 OF COMPANIES ACT, 2013**

The Company has not made any Investments in the Securities of any body corporate and has also not provided any guarantee or security in connection with the loan to any body corporate or person. Further, particulars of loans given for business purpose are stated in financial statement. Please refer to note no. 7 of the Notes forming part of accounts for the same.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There were no Contracts or arrangements entered into by the company in accordance with the provisions of section 188 (1) of the Companies Act, 2013 with related parties.

Members may refer to the note No. 37 to the accounts for details of related party transactions as per IND AS.

## **DIVIDEND AND TRANSFER TO RESERVES**

To Strengthen the Company's long term resources, your directors do not recommend any dividend for the financial year 2016 – 2017. Further as the Company has not recommended any dividend for the year under review, no amount has been transferred to General Reserves.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134 (3) (m) of the Companies Act-2013 read with Rule 8(3) of Companies (Accounts) Rules 2014 do not apply to our Company as the Company has not carried out any activities relating to conservation of energy and technology absorption. The Particulars regarding foreign exchange earnings and outgo as required to be disclosed in this regard is NIL.

## **RISK MANAGEMENT POLICY**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

## **INTERNAL FINANCIAL CONTROL**

The company has put in place the requisite internal financial control system.

## **DETAILS OF DIRECTOR:**

Mr. Shekhar G Patel, Director of the company will retire by rotation at the forth coming Annual General Meeting and being eligible has offered himself for re-appointment.

During the year under review Mr. Mehul B. Patel (DIN: 02015626) and Mr. Dipak B. Patel (DIN: 01343136), Directors of the Company have resigned from the office of the Director w.e.f 31<sup>st</sup> March, 2017. The Board place on record warm appreciation for valuable services rendered by them during their tenure of the office.

The Company has received a declaration from the Independent Directors of the Company which was placed at the first meeting of Board of Directors of the Company held for the financial year 2017-2018.

The company is not required to appoint any Key Managerial Personnel as per Companies Act, 2013.

### **APPLICABILITY OF REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 (RERA)**

The Gazette of India published The Real estate (Regulation and Development) Act, 2016 on 26th March, 2016. The majority of the provisions of the Act came into operation w.e.f 1st May, 2016.

The Urban Development and Urban Housing Department of Government of Gujarat has published the Gujarat Real Estate (Regulation and Development) General Rules, 2017 on 4th May, 2017 which has come in to force w.e.f 1st May, 2017.

As per the provisions of the said Act ongoing and future real estate projects require registration of RERA Authority. The application is required to be submitted to RERA Authority for ongoing projects within three (3) months from 1st May, 2017.

We are having two (2) ongoing projects namely Maple Tree and Maple Trade Centre. Hence, we shall have to submit the application to RERA Authority for registration within a stipulated time limit. Further, new projects will require registration of RERA Authority.

### **NOMINATION AND REMUNERATION COMMITTEE AND POLICY**

The Board of Directors of the Company constituted Nomination and Remuneration Committee at its meeting held on 8<sup>th</sup> January, 2016. The composition of Nomination and Remuneration Committee ("the Committee") is as follows:

1. Mr. Shekhar G. Patel
2. Mr. Paresh M. Patel
3. Mr. Ashish H. Modi

The policy of the company on directors appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is attached as Annexure- B to the Board's report. We affirm that remuneration paid, if any, to the directors and key managerial personnel is as per the terms laid out in the Nomination and Remuneration policy of the company.

### **AUDIT COMMITTEE**

The Board of Directors of the Company constituted Audit Committee at its meeting held on 8<sup>th</sup> January, 2016. The composition of Audit Committee ("the Committee") is as follows:

1. Mr. Shekhar G. Patel
2. Mr. Paresh M. Patel
3. Mr. Ashish H. Modi

All the recommendations made by the Audit Committee were accepted by the Board.

### **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to section 135 of the Companies Act, 2013 the company has formed (CSR Committee) Corporate Social Responsibility. The constitution CSR Committee is as under:

1. Mr. Dipak G. Patel
2. Mr. Paresh M. Patel
3. Mr. Ashish H. Modi

The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company as specified under Schedule VII of Companies Act, 2013, which has been approved by the Board.

The annual report on our CSR activities is annexed herewith as Annexure – C.

## **AUDITORS**

### Statutory Auditor:

As per the provisions of section 139 of the Companies Act, 2013, the appointment of M/S J. M. Parikh & Associates (FRN: 118007W), Chartered Accountants, Ahmedabad auditors of the Company is proposed to be ratified by the members in the ensuing Annual General Meeting and remuneration may be fixed by the members. They hold the office from the conclusion of this annual general meeting until the conclusion of 6th Annual General Meeting subject to ratification of Appointment at every Annual General Meeting. Accordingly the appointment of M/S J. M. Parikh & Associates is placed for ratification by shareholders at the ensuing 3<sup>rd</sup> AGM of the company.

Further the auditors have confirmed their willingness and eligibility for appointment and have also confirmed that their appointment, if made, will be within the limits under section 141 (3) (g) of the Companies Act, 2013.

There is no qualification, reservation or adverse remark or disclaimer made by the auditors in their report.

Hence, there is no need to offer any explanations or comments by your Board.

### Cost Auditor:

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014, as amended, Construction Industry is required to include Cost Records in their books of accounts covered from the financial years commencing on or after 1st April, 2014. Further, as per the said rules, the Company is required to get its cost records audited by the Practicing Cost Accountant. Accordingly, the Board of Directors at their meeting held on 23<sup>rd</sup> May, 2017 appointed M/s J. B. Mistri & Co., Cost Accountants, Ahmedabad, as Cost Auditors for auditing the cost records of your Company for the year ended 31<sup>st</sup> March, 2017.

## **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDERESSAL) ACT, 2013**

As the Company is not having any employees, the disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under or any other guidelines made there under is not Applicable.

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items or the same were not applicable to the Company during the year under review:

1. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company.
2. The Company does not have any Subsidiary, Joint venture or Associate Company.
3. The Company has neither accepted nor renewed any deposits during the year under review.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. No material changes and commitments affecting Financial Position of the Company have taken place after completion of the financial period up to the date of this report which may have substantial effect on business and finances of the company and which are required to be disclosed in this Report.
6. During the year under review, there was no employee in receipt of salary for whom information as per Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given in the Directors' Report.

#### **APPRECIATION**

Your Directors wish to place on record their appreciation for the co-operation and continued support extended to the Company by all Government Authorities, Bankers and Shareholders.

**On behalf of the Board of Directors**

**Place: Ahmedabad**

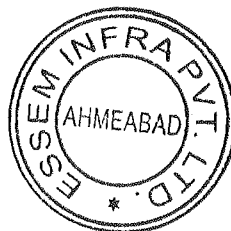
**Date: 23/05/2017**



**Dipak G. Patel**

**Chairman**

**[DIN: 00004766]**





**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014**I REGISTRATION & OTHER DETAILS:**

i	CIN	U45200GJ2015PTC082484
ii	Registration Date	04-03-2015
iii	Name of the Company	ESSEM INFRA PRIVATE LIMITED
iv	Category/Sub-category of the Company	Company Limited by Shares India Non-Government Company
v	Address of the Registered office & contact details	Ganesh Corporate House, 100 Feet Hebatpura – Thaltej Road, Near Sola Bridge, off S.G. Highway, Thaltej, Ahmedabad - 380054 Gujarat (O): 079 61608888
vi	Whether listed company	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	MCS SHARE TRANSFER AGENT LTD

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Construction of Buildings	4100	100

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	GANESH HOUSING CORPORATION LIMITED	L45200GJ1991PLC015817	HOLDING	75%	Section 2 (87) of the Companies Act, 2013



(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>Mehul B Patel</b>				
	At the beginning of the year	1875	12.5	1875	12.5
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/ sweat equity etc)	There was no change shareholding during the year under review.			
	At the end of the year	1875	12.5	1875	12.5
<b>2</b>	<b>Dipak B. Patel</b>				
	At the beginning of the year	1875	12.5	1875	12.5
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/ sweat equity etc)	There was no change shareholding during the year under review.			
	At the end of the year	1875	12.5	1875	12.5
<b>3</b>	<b>Ganesh Housing Corporation Limited</b>				
	At the beginning of the year	11250	75	11250	75
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/ sweat equity etc)	There was no change shareholding during the year under review.			
	At the end of the year	11250	75	11250	75

<b>(2) Non Institutions</b>									
a) Bodies corporates	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0	0	0	0	0	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>0</b>	<b>15000</b>	<b>100</b>	<b>15000</b>	<b>0</b>	<b>15000</b>	<b>100</b>	<b>0</b>

**(ii) SHARE HOLDING OF PROMOTERS**

Name of Shareholders	Shareholding at the beginning of the year i.e 01/04/2016			Shareholding at the end of the year i.e 31/03/2017			% change in share holding during the year
	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
Mehul B. Patel	1875	12.5	12.5	1875	12.5	12.5	0
Dipak B. Patel	1875	12.5	12.5	1875	12.5	12.5	0
Ganesh Housing Corporation Limited	11250	75	75	11250	75	75	0
<b>Total</b>	<b>15000</b>	<b>100</b>	<b>100</b>	<b>15000</b>	<b>100</b>	<b>100</b>	<b>0</b>

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	<b>Not Applicable</b>			
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>DIPAK G PATEL</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	There was no change shareholding during the year under review.			
	At the end of the year	0	0	0	0
<b>2</b>	<b>SHEKHAR G PATEL</b>				
	At the beginning of the year	0			
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	There was no change shareholding during the year under review.			
	At the end of the year	0	0	0	0
<b>3</b>	<b>PARESH M PATEL</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	There was no change shareholding during the year under review.			
	At the end of the year	0	0	0	0

<b>4</b>	<b>ASHISH H MODI</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	There was no change shareholding during the year under review.			
	At the end of the year	0	0	0	0

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2249549924	2567271796	0	4816821720
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>2249549924</b>	<b>2567271796</b>	<b>0</b>	<b>4816821720</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	3802658382	306558159	0	4109216541
Reduction	2929914210	0	0	2929914210
<b>Net Change</b>	<b>872744172</b>	<b>306558159</b>	<b>0</b>	<b>1179302331</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3122294096	2873829955	0	5996124051
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>3122294096</b>	<b>2873829955</b>	<b>0</b>	<b>5996124051</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:			
Sl. No	Particulars of Remuneration	Name for the MD/WTD/Manager	Total Amount
	<b>Gross salary</b>	NIL	
	(a) Salary as per		
	(b) Value of perquisites		
	(c) Profits in lieu of		
2	Stock option		
3	Sweat Equity		
4	Commission		
	as % of profit		
	others (specify)		
5	Others, please specify		
	<b>Total (A)</b>		
	<b>Ceiling as per the Act</b>		

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	NIL	
	(a) Fee for attending board committee		
	(b) Commission		
	(c) Others, please specify		
	<b>Total (1)</b>		
2	Other Non Executive Directors		
	(a) Fee for attending		
	(b) Commission		
	(c) Others, please specify.		
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>		
	<b>Total Managerial Remuneration</b>		
	<b>Overall Cieling as per the Act.</b>		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary	NIL			
	(a) Salary as per provisions contained in				
	(b) Value of perquisites u/s 17(2) of the				
	(c) Profits in lieu of salary under section				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	Others, please specify				
	<b>Total</b>				



VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			Not Applicable		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			Not Applicable		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			Not Applicable		
Compounding					

Place : Ahmedabad  
Date : 23/05/2017

On behalf of Board of Directors

*Dipak G. Patel*

Dipak G. Patel  
Chairman  
DIN : 00004766

**ESSEM INFRA PRIVATE LIMITED**

**NOMINATION  
AND  
REMUNERATION  
POLICY**

Corporate Identification Number [CIN]: U45200GJ2015PTC082484  
Registered Office: Ganesh Corporate House, 100 Feet Hebatpura Thatltej Road,  
Near Sola Bridge, Off S. G. Highway, Thaltej, Ahmedabad 380 054

## ESSEM INFRA PRIVATE LIMITED

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### 1. INTRODUCTION:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and senior management personnel of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated and recommended by the Committee and approved by the Board of Directors.

### 2. OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size, financial position and trends and practices on remuneration prevailing in peer companies and also in the real estate industry.
- To carry out periodic evaluation of the performance of Directors, Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 8<sup>th</sup> January, 2016.

### 3. EFFECTIVE DATE:

This policy shall be effective from 8<sup>th</sup> January, 2016.

### CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

The Board had constituted Nomination and Remuneration Committee at its meeting held on 8<sup>th</sup> January, 2016. The Nomination and Remuneration Committee comprises of following Directors:

Sr. No.	Name	Position	Category
1.	Mr. Shekhar G. Patel	Chairman	Director
2.	Mr. Paresh M. Patel	Member	Independent Director
3.	Mr. Ashish H. Modi	Member	Independent Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

## ESSEM INFRA PRIVATE LIMITED

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### 4. DEFINITIONS:

- **“Act”** means Companies Act, 2013
- **“Board”** means Board of Directors of the Company.
- **“Director”** means Directors of the Company.
- **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.
- **“Company”** means ESSEM INFRA PRIVATE LIMITED
- **“Independent Director”** means a director referred to in Section 149(6) of the Companies Act, 2013.
- **“Key Managerial Personnel” (KMP)** means-
  - (i) Managing Director;
  - (ii) Chief Executive Officer;
  - (iii) Manager;
  - (iv) Whole-time Director;
  - (v) Company Secretary;
  - (vi) Chief Financial Officer
  - (vii) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- **“Senior Management”** means personnel’s of the Company occupying the position of one level below the Board. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### 5. APPLICABILITY:

The Policy is applicable to all:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management

### 6. GENERAL:

- This Policy is divided in three parts:
  - Part – A covers the matters to be dealt with and recommended by the Committee to the Board;
  - Part – B covers the appointment and nomination and

## **ESSEM INFRA PRIVATE LIMITED**

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Part – C covers remuneration and perquisites etc.

- The key features of this Company's policy shall be included in the Board's Report.

### **PART – A:- Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial Personnel and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management.

### **PART – B: - Policy for appointment and removal of Director, KMP and Senior Management**

#### **(a) Appointment criteria and Qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director or Manager who has attained the age of seventy years.

Provided that where any person has attained the age of seventy years and where his appointment or reappointment is approved by passing a special resolution in the General Meeting based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years. In any other case the same shall be approved by Central Government.

#### **(b) Term / Tenure:**

1. Managing Director/Whole-time Director:

## ESSEM INFRA PRIVATE LIMITED

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The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years from cessation of Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

**(c) Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**(d) Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**(e) Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company, if any. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **ESSEM INFRA PRIVATE LIMITED**

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### **PART – C: - Policy relating to the remuneration for the Managing Director, Whole-Time Director, KMP and Senior Management**

#### **(a) General:**

1. The committee will determine and recommend to Board the remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the limits or conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder as amended from time to time.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director or Whole-time Director. Increments will be effective from the date mentioned in the respective resolutions in case of a Managing Director and Whole-time Director and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **(b) Remuneration to Whole-time Director, Managing Director/ Manager, KMP and Senior Management:**

##### **1. Fixed pay:**

The Managing Director/Manager, Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, superannuation or annuity fund, gratuity, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

##### **2. Minimum Remuneration:**

## **ESSEM INFRA PRIVATE LIMITED**

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If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director or manager in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Managing Director or Whole-time Director or manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

4. Stock Options:

In case, Managing Director/Manager, Whole-time Director, Company Secretary and Chief Financial Officer, are not being Promoter Director or Director holding either himself or along with his relatives more than 10% of equity shares of the company or Independent Director, they shall be entitled to any stock options of the Company as qualified by the normal employees of the Company. Provided the same shall be subject to the Companies Act, 2013 and rule 12 of Companies (Share Capital and Debentures Rules, 2014)

Senior Management Personnel shall be eligible for stock options as normal employees of the Company.

**(c) Remuneration to Non- Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The sitting fees shall be decided by the Board of Directors of the Company at its meeting where quorum consists of disinterested directors. In case all the directors are interested, the same shall be decided by the Resolution passed by the Members of the Company.

Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.



## **ESSEM INFRA PRIVATE LIMITED**

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3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

## ANNEXURE-C

**ANNUAL REPORT ON  
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken :

The main objective of CSR policy involve the ideas of corporate governance, sustainable wealth creation, corporate philanthropy and advocacy for the goals of the community. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013 as amended from time to time.

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

2. Composition of CSR Committee: Mr. Dipak G. Patel, Chairman; Mr. Paresh M. Patel, Mr. Ashish H. Modi, Member
3. Average net profit of the Company for last three financial years: Rs. 24,72,16,290/-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.49,44,326/-
5. Details of CSR spend for the financial year:
- Total amount to be spent for the financial year: Rs. 49,44,500/-
  - Amount unspent, if any: Nil
  - Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and District where Projects or Programs was undertaken	Amount Outlay (budget) Project or Programs wise (Rs.)	Amount Spent on the Projects or Programs Sub-heads: (1) Direct Expenditure (2) Overheads (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount Spent: Direct or through implementation agency
1.	Promotion of Education	Promoting Education	Gujarat, Ahmedabad	49,44,325/-	49,44,500/-	49,44,500/-	Direct
		<b>GRAND TOTAL</b>		49,44,325/-	49,44,500/-	49,44,500/-	Nil

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:  
Not Applicable

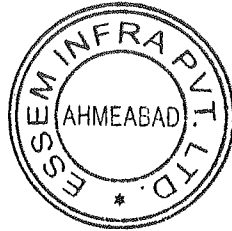
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**For Essem Infra Private Limited**

*P. M. Patel*  
**Paresh M Patel**  
**Director**

**For and on behalf of the Corporate Social Responsibility  
Committee of Essem Infra Private Limited**

*Dipak G Patel*  
**Dipak G Patel**  
**Chairman of the Committee**



 **J.M. PARIKH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

B – 705 , 7<sup>TH</sup> FLOOR , NIRMAN COMPLEX , OPP : HAVMOR RESTAURANT,  
NAVRANGPURA, AHMEDABAD – 380 009. PHONE: 26563949, 26569093  
E-mail : [jvparikh@yahoo.co.in](mailto:jvparikh@yahoo.co.in)

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF:  
ESSEM INFRA PRIVATE LIMITED,**

**REPORT ON THE IND AS FINANCIAL STATEMENTS**

We have audited the accompanying Ind AS financial statements of ESSEM INFRA PRIVATE LIMITED ("the company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statement").

**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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued there under. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

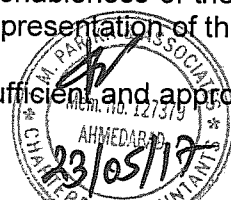
Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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 Ind AS financial statements are free from material misstatements.

An Audit involves performing procedures to obtain Audit Evidence about the amounts and Disclosures in the Ind AS Financial Statements. The procedures selected depend on the Auditor's judgments, including the assessment of risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to company's preparation of the Ind AS 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 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 Ind AS 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 Ind AS financial statements.

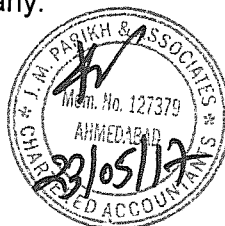


## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 31<sup>st</sup> March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

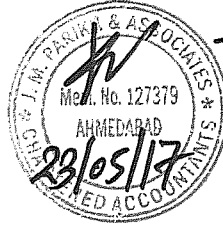
1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, We give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 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 beliefs were necessary for the purposes of our audit;
  - b. In our opinion proper books of accounts as required by Law have been kept by the Company so far as it appears from our examinations of those books;
  - c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under;
  - e. On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure – B.
  - 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. There are no litigations by or against the company as at 31st March, 2017 and hence, shall have no effect on its financial position in its Ind AS financial statements.
    - 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 were required to be transferred to Investor Education and Protection Fund by the company.



- iv. The company has provided requisite disclosures in the Ind As financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(e) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on the audit procedure performed and the representations provided to us by the management, we report that the disclosure are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer note no. 38 to the Ind AS financial statement.

FOR, J.M.PARIKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN:- 118007W

PLACE:- AHMEDABAD  
DATE :- 23/05/2017



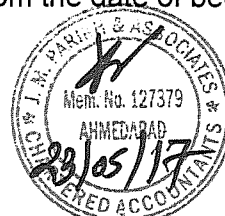
*Kaushal Shah*  
KAUSHAL SHAH  
PARTNER  
MEMBERSHIP NO.:- 127379

**ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
ESSEM INFRA PRIVATE LIMITED,**

Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory requirements" of our Report of even date to the Ind AS financial statements of the company for the year ended 31<sup>st</sup> March, 2017:

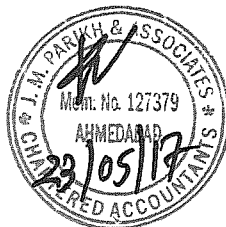
- (i)
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The company does not have any immovable property. Hence, the question of the title deeds of immovable properties are held in the name of the Company does not arise. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (ii) The company is accounting various construction projects being built by it, as inventory. There is a continuous monitoring of the construction projects. Hence, the question of physical verification of the project does not arise. In case of Inventory of Raw materials, it has been physically verified during the year by the management. The inventory shown in the accounts is in the nature of various construction projects. Hence, normal inventory records associated with manufacturing companies are not being kept. However, the company is maintaining the necessary records to our satisfaction. No discrepancies were noticed on verification between the physical stocks and book records.
- (iii) The company has not granted any loan to company, limited liability partnership, firm and other party covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly clauses 3(iii)(a), 3(iii)(b) & 3(iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 with respect to the loans, guaranties, securities and investments made.
- (v) The company has not accepted any deposit from public as per the provisions of sections 73 to 76 of the Companies Act, 2013. Accordingly, Clause 3(v) of the Order is not applicable to the Company.
- (vi) The company is not covered under the limit specified for the maintenance of cost records by the Central Government of India under sub-section (1) of section 148 of the Companies Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014. Accordingly, Clause 3(vi) of the Order is not applicable to the Company.
- (vii)
- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities have been generally regularly deposited.

According to the information and explanations given to us no other undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date of becoming payable.



- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Valued Added Tax and Cess, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to debenture holders and Financial Institution. The company has not borrowed any money from a bank and Government.
- (ix) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (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 year in course of our audit.
- (xi) According to the information and explanations given to us, The Company has not paid / provided for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us there is no transaction with the related parties under section 177 and 188 of the Companies Act 2013. Therefore, the provisions of clause 3(xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence the question of complying with provisions of section 192 of Companies Act, 2013 does not arise. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

PLACE:- AHMEDABAD  
DATE :- 23/05/2017



FOR J.M.PARIKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN:- 118007W

*Kaushal Shah*  
KAUSHAL SHAH  
PARTNER  
MEM. NO. 127379.



**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
ESSEM INFRA 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 ESSEM INFRA PRIVATE LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS 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 ("ICAI"). 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**

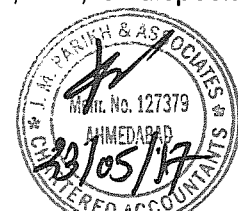
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on 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 Ind AS 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 Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A 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.



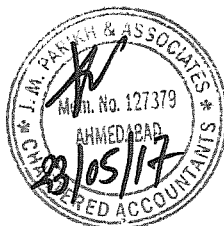
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 operating effectively as at March 31, 2017, 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.

PLACE:- AHMEDABAD  
DATE :- 23/05/2017



FOR J.M.PARIKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN:- 118007W

*Kaushal Shah*  
KAUSHAL SHAH  
PARTNER  
MEM. NO. 127379.

ESSEM INFRA PRIVATE LIMITED  
BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	NOTE	[AMT. RS.]		
		AS AT THE END OF CURRENT REPORTING PERIOD 31-03-2017	AS AT THE END OF PREVIOUS REPORTING PERIOD 31-03-2016	AS AT 01-04-2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property Plant and Equipment	1	48950	71978	0
Deferred tax assets (net)	2	6615	2627	12052560
		<u>55565</u>	<u>74605</u>	<u>12052560</u>
<b>Current assets</b>				
Inventories	3	4739081385	4354952406	3932647129
<b>Financial Assets</b>				
Trade receivables	4	1796777101	681935820	0
Cash and cash equivalents	5	13356327	6573582	6151627
Bank balances other than above	6	167483794	114340024	0
Loans	7	5000000	5000000	5000000
Other current assets	8	251834221	437732551	27156528
		<u>6973532828</u>	<u>5600534383</u>	<u>3970955284</u>
<b>TOTAL ASSETS</b>		<u><b>6973588393</b></u>	<u><b>5600608988</b></u>	<u><b>3983007844</b></u>
<b>Equity</b>				
Equity Share capital	9	150000	150000	150000
Other Equity	10	533882103	329435206	(26952490)
		<u>534032103</u>	<u>329585206</u>	<u>(26802490)</u>
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	11	2502294096	1949549923	2000000000
		<u>2502294096</u>	<u>1949549923</u>	<u>2000000000</u>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	12	2873829955	2567271796	1961515111
Trade payables	13	164753968	92580670	24681811
Other current financial liabilities	14	622100001	301100000	0
Other current liabilities	15	173836708	196884848	23613412
Current Tax Liabilities (Net)	16	102741562	163636545	0
		<u>3937262194</u>	<u>3321473859</u>	<u>2009810334</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>6973588393</b></u>	<u><b>5600608988</b></u>	<u><b>3983007844</b></u>

Significant Accounting Policies &  
Notes Forming Part of Accounts

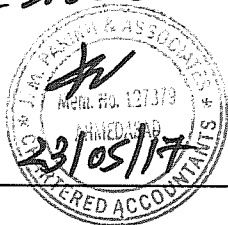
1 to 38

AS PER OUR REPORT OF EVEN DATE  
FOR J.M. PARIKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN:- 118007W

ON BEHALF OF THE BOARD OF DIRECTORS

*Kaushal Shah*

KAUSHAL SHAH  
PARTNER  
MEM. NO. 127379



PLACE : AHMEDABAD  
DATE : 23/05/2017

*Dapali*

DIPAK G. PATEL  
CHAIRMAN  
[DIN: 00004766]

PLACE : AHMEDABAD  
DATE : 23/05/2017

*95*

SHEKHAR G. PATEL  
DIRECTOR  
[DIN: 00005091]

**ESSEM INFRA PRIVATE LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017.**

[AMT. RS.]

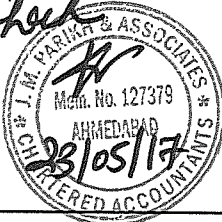
PARTICULARS	NOTE	FOR THE CURRENT	FOR THE CURRENT
		REPORTING PERIOD 2016-2017	REPORTING PERIOD 2015-2016
<b>I INCOME:-</b>			
Revenue from Operations	17	1596603186	1017778968
Other Income	18	11305578	8124621
<b>TOTAL</b>		<b>1607908764</b>	<b>1025903589</b>
<b>II EXPENSES :-</b>			
Cost of Material Consumed	19	1234387911	343338692
Changes in Inventories	20	(383350271)	(420479802)
Finance Cost	21	411127750	461501252
Depreciation		23028	22702
Other Expenses	22	36277437	108083116
<b>TOTAL</b>		<b>1298465855</b>	<b>492465960</b>
III Profit / (Loss) Before Tax		309442909	533437629
<b>IV Tax Expenses:</b>			
Current Tax	(105000000)		(165000000)
Deferred Tax	3988		(12049933)
		(104996012)	(177049933)
V Profit / (Loss) After Tax		204446897	356387696
VI Other Comprehensive Income		0	0
Total of Other Comprehensive Income		0	0
VII Total Comprehensive Income for the period		204446897	356387696
<b>VIII Basic &amp; Diluted Earning Per share [In Rs.]</b>			
-Before extra ordinary items	29	13629.79	23759.18
-After extra ordinary items		13629.79	23759.18
<b>IX Significant Accounting Policies &amp; Notes Forming Part of Accounts</b>			
	1 to 38		

AS PER OUR REPORT OF EVEN DATE  
 FOR J M PARIKH & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 FRN:- 118007W

ON BEHALF OF THE BOARD OF DIRECTORS

*Kaushal Shah*  
 KAUSHAL SHAH  
 PARTNER  
 MEM. NO. 127379

PLACE : AHMEDABAD  
 DATE : 23/05/2017



*Dipak G. Patel*  
 DIPAK G. PATEL  
 CHAIRMAN  
 [DIN: 00004766]

*Shekhar G. Patel*  
 SHEKHAR G. PATEL  
 DIRECTOR  
 [DIN: 00005091]

PLACE : AHMEDABAD  
 DATE : 23/05/2017

ESSEM INFRA PRIVATE LIMITED  
CASH FLOW STATEMENT FOR THE YEAR 2016-2017

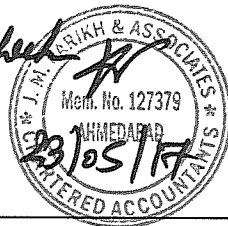
[AMT. RS.]

PARTICULARS	NOTE	2016-2017	2015-2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>			
NET PROFIT BEFORE TAX AND PERVIOUS YEAR 'S FIGURES		309442909	533437629
LESS: INTERIM DIVIDEND & DIVIDEND TAX		0	0
TOTAL		309442909	533437629
ADD:- PROVISION FOR INCOME TAX		(105000000)	(165000000)
ADD: DEFERRED TAX		3988	(12049933)
		(104996012)	(177049933)
		204446897	356387696
NET PROFIT AFTER TAX			
ADD/LESS ADJUSTMENTS FOR			
DEPRECIATION		23028	22702
INTEREST EXPENSES		411127750	461501252
INTEREST INCOME		(11305578)	(8124621)
		399845200	453399333
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		604292097	809787029
ADD/LESS ADJUSTMENTS FOR			
INVENTORIES		(384128979)	(422305277)
TRADE RECEIVABLES		(1114841281)	(681935820)
OTHER CURRENT ASSETS		416945238	(410576023)
TRADE PAYABLES		72173298	67898859
OTHER CURRENT LIABILITIES		237056878	639371436
INCREASE IN DEFERRED TAX		(3988)	12049933
		(772798834)	(795496892)
TAXES PAID (NET)		(231046908)	(1363455)
CASH GENERATED FROM OPERATIONS		(1003845742)	(796860347)
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>			
PURCHASE OF FIXED ASSETS		0	(94680)
CAPITAL WORK IN PROGRESS		0	0
SALE OF FIXED ASSETS		0	0
INVESTMENTS MADE		0	0
MOVEMENT IN LOANS & ADVANCES		0	0
INTEREST RECEIVED		11305578	8124621
NET CASH USED IN INVESTING ACTIVITIES		11305578	8029941
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>			
PROCEEDS FROM BORROWINGS		859302332	555306608
INCREASE OF SHARE CAPITAL		0	0
INCREASE OF SHARE APPLICATION MONEY		0	0
INCREASE OF SECURITY PREMIUM		0	0
INTEREST PAID		(411127750)	(461501252)
DIVIDEND PAID (INCLUDING DIVIDEND DISTRIBUTION TAX)		0	0
NET CASH USED IN FINANCING ACTIVITIES		448174582	93805356
NET INCREASE IN CASH AND CASH EQUIVALENTS		59926515	114761979
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		120913606	6151627
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		180840121	120913606
<b>Components of Cash and Cash Equivalents</b>			
Cash on hand		281088	214567
Balances with a Banks		13075239	6359015
Balances in FD Accounts with Bank		167483794	114340024
<b>Total</b>		<b>180840121</b>	<b>120913606</b>
Significant Accounting Policies	23		

AS PER OUR REPORT OF EVEN DATE  
FOR J M PARIKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN:- 118007W

ON BEHALF OF THE BOARD OF DIRECTORS

KAUSHAL SHAH  
PARTNER  
MEM. NO. 127379



PLACE : AHMEDABAD  
DATE : 23/05/2017

DIPAK G. PATEL  
CHAIRMAN  
[DIN: 00004766]

SHEKHAR G. PATEL  
DIRECTOR  
[DIN: 00005091]

PLACE : AHMEDABAD  
DATE : 23/05/2017

**ESSEM INFRA PRIVATE LIMITED  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31/03/2017**

**A. EQUITY SHARE CAPITAL**

	BALANCE AT THE BEGINNING OF 1.04.2015	CHANGES IN EQUITY SHARE CAPITAL DURING 2015-16	BALANCE AT THE END OF REPORTING PERIOD 31.03.2016	CHANGES IN EQUITY SHARE CAPITAL DURING 2016-17	BALANCE AT THE END OF REPORTING PERIOD 31.03.2017
	150000	0	150000	0	150000

[AMT. RS.]

**B. OTHER EQUITY**

PARTICULARS	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus		Debt Redemption Reserve	Total
			Securities Premium Reserve	Retained Earnings/ profit		
Balance as at 1.04.2015				(26952490)	0	(26952490)
Total Comprehensive Income for the year				356387696		356387696
Dividends						
Tax on Dividends						
Transfer from profit & loss				(50000000)	50000000	0
Employee Stock Options (Net)						
Balance as at 31.03.2016				279435206	50000000	329435206
Total Comprehensive Income for the year				204446897		204446897
Dividends						
Tax on Dividends						
Employee Stock Options (Net)						
Transfer from Debt Redemption Reserve to General Reserve						
Bonus Issue						
Balance as at 31.03.2017				483882103	50000000	533882103



ESSEM INFRA PRIVATE LIMITED  
NOTES FORMING PART OF ACCOUNTS

NOTE - 1

PROPERTY, PLANT & EQUIPMENT

DESCRIPTION OF TANGIBLE ASSETS	ADDITION		GROSS BLOCK		DEDUCTIONS		DEPRECIATION		[AMT. RS.] NET BLOCK			
	AS AT 01-04-2015	ADDITION DURING YEAR	AS AT 01-04-2016	ADDITION DURING YEAR	AS AT 31-03-2017	DEDUCTIONS DURING YEAR	AS AT 01-04-2015	DEPRECIATION / AMORTISATION DURING THE YEAR	AS AT 31-03-2017	AS AT 31-03-2017	AS AT 01-04-2015	AS AT 01-04-2016
CUBE TESTING MACHINE	0	63630	63630	0	63630	0	0	14573	12696	27269	36361	49057
STABILISER	0	31050	31050	0	31050	0	0	8129	10332	18461	12589	22921
<b>TOTAL</b>	<b>0</b>	<b>94680</b>	<b>94680</b>	<b>0</b>	<b>94680</b>	<b>0</b>	<b>0</b>	<b>22702</b>	<b>23028</b>	<b>45730</b>	<b>48950</b>	<b>71978</b>
<b>PREVIOUS YEAR</b>			<b>0</b>	<b>94680</b>	<b>94680</b>	<b>0</b>	<b>0</b>	<b>22702</b>	<b>22702</b>	<b>22702</b>	<b>71978</b>	<b>0</b>



- ESSEM INFRA PRIVATE LIMITED  
NOTES FORMING PART OF ACCOUNTS

PARTICULARS	[AMT. RS.]		
	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
<b>NOTE - 2</b>			
<b>DEFERRED TAX ASSETS (NET)</b>			
<u>Deferred Tax Assets:-</u>			
Timing Difference :-			
Disallowances under the Income Tax Act, 1961			12052560
Related to Fixed Assets	6615	2627	0
<b>Total - A</b>	<b>6615</b>	<b>2627</b>	<b>12052560</b>
<u>Deferred Tax Liabilities:-</u>			
Timing Difference	0	0	0
<b>Total - B</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total A - B = Net Deferred Tax Assets</b>	<b>6615</b>	<b>2627</b>	<b>12052560</b>
<b>NOTE - 3</b>			
<b>INVENTORIES</b>			
INVENTORIES (As taken, valued & certified by Management)			
Stock of WIP	4736477202	4353126931	3932647129
Stock of Raw-material	2604183	1825475	0
<b>TOTAL</b>	<b>4739081385</b>	<b>4354952406</b>	<b>3932647129</b>
<b>NOTE - 4</b>			
<b>TRADE RECEIVABLES</b>			
<b>[UNSECURED, CONSIDERED GOOD]</b>			
-More than Six Months	772921772	196511223	0
-Others	1023855329	485424597	0
<b>TOTAL</b>	<b>1796777101</b>	<b>681935820</b>	<b>0</b>
<b>NOTE - 5</b>			
<b>CASH &amp; CASH EQUIVALENTS</b>			
Cash on hand	281088	214567	234948
Balances with Banks in :-			
-Current Account	13075239	6359015	5916679
	13075239	6359015	5916679
<b>TOTAL</b>	<b>13356327</b>	<b>6573582</b>	<b>6151627</b>
<b>NOTE - 6</b>			
<b>BANK BALANCES</b>			
Balances with Banks :			
Balances in FD Accounts with Bank	167483794	114340024	0
<b>TOTAL</b>	<b>167483794</b>	<b>114340024</b>	<b>0</b>
<b>NOTE - 7</b>			
<b>LOANS</b>			
<b>[UNSECURED, CONSIDERED GOOD]</b>			
<u>SHORT TERM LOANS &amp; ADVANCES:-</u>			
Loan to Others:-			
J.P. Fincorp Services Private Limited	5000000	5000000	5000000
	5000000	5000000	5000000
<b>TOTAL</b>	<b>5000000</b>	<b>5000000</b>	<b>5000000</b>
<b>NOTE - 8</b>			
<b>OTHER CURRENT ASSETS</b>			
Cenvat credit of Service Tax	23720232	18228681	74261
AMC, Auda & Legal Charges	159042063	417731783	27048559
Advance to Suppliers	1644852	1007400	0
Prepaid Expenses	2265149	754687	33708
Vat Deposit	10000	10000	0
Income Tax & TDS	230151925	0	0
Less:-			
Provision for Income Tax	(165000000)	0	0
	65151925	0	0
<b>TOTAL</b>	<b>251834221</b>	<b>437732551</b>	<b>27156528</b>





- ESSEM INFRA PRIVATE LIMITED  
NOTES FORMING PART OF ACCOUNTS

PARTICULARS	[AMT. RS.]		
	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015

NOTE - 9  
EQUITY SHARE CAPITAL

**AUTHORISED:-**

15000 (Pre. Yr. 15000) Equity Shares of Rs. 10/- Each	150000	150000	150000
	<u>150000</u>	<u>150000</u>	<u>150000</u>

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL:-**

15000 (Pre. Yr. 15000) Equity Shares of Rs. 10/- Each	150000	150000	150000
---	--------	--------	--------

<b>TOTAL</b>	<u>150000</u>	<u>150000</u>	<u>150000</u>
--------------	---------------	---------------	---------------

NOTE :

2.1. The reconciliation of number of shares at the beginning of the year and at the close of the year is not given as there is no change in the paid up capital.

2.2. The Statement of Shareholders Holding More Than 5% Equity Shares of The Company:-

PARTICULARS	AS AT 31/03/2017		AS AT 31/03/2016		AS AT 01/04/2015	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Ganesh Housing Corporation Limited. - Holding Company	11250	75.00	11250	75.00	11250	75.00
Mehul B. Patel	1875	12.50	1875	12.50	1875	12.50
Dipak B. Patel	1875	12.50	1875	12.50	1875	12.50

2.3. The 75% shareholding of the company is held by Ganesh Housing Corporation Limited which is its holding company.

2.4. Right, Preferences and Restrictions attached to shares:

The company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

NOTE - 10

OTHER EQUITY

**RESERVES & SURPLUS:**

(a) DEBENTURES REDEMPTION RESERVE

Balance As Per Last Balance Sheet	50000000	0	
Add : Transfer from Profit & Loss A/c	0	50000000	
<b>TOTAL - 1</b>	<u>50000000</u>	<u>50000000</u>	<u>0</u>

(b) PROFIT & LOSS ACCOUNT

Balance As Per Last Balance Sheet	279435206	(26952490)	
Add : Transfer from Profit & Loss Statement	204446897	356387696	
	483882103	329435206	
Less: Transferred to Debentures Redemption Reserve	0	(50000000)	
<b>TOTAL - 2</b>	<u>483882103</u>	<u>279435206</u>	<u>(26952490)</u>
<b>TOTAL 1+2=</b>	<u>533882103</u>	<u>329435206</u>	<u>(26952490)</u>



- ESSEM INFRA PRIVATE LIMITED  
NOTES FORMING PART OF ACCOUNTS

PARTICULARS	[AMT. RS.]		
	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
<b>NOTE - 11</b>			
<b>BORROWINGS</b>			
<b>NON CURRENT BORROWINGS:-</b>			
<b>SECURED:-</b>			
<b>Debentures:</b>			
19323000 (Pre. Yr. 22495500) Non Convertible Debentures of Rs. 100/- each	1312294098	1949549923	2000000000
	<u>1312294098</u>	<u>1949549923</u>	<u>2000000000</u>
<b>Term Loans:</b>			
From Others	1189999998	0	0
	<u>1189999998</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>2502294096</b>	<b>1949549923</b>	<b>2000000000</b>
[Refer note no. 36 for security details]			

Maturity Profile & Rate of Interest of Non Convertible Debentures are as set out below:

Rate of Interest	2017-18	2018-19	2019-20	2020-21 & Beyond
13.75% (Pre. Yr. 16.75%) [Rate of interest is variable]	6200000000	6500000000	662294098	0
Term Loans from Others	0	0	60000000	1129999998

**NOTE - 12**  
**BORROWINGS**

**SHORT TERM BORROWINGS:-**

**From Related Parties:-**

Inter Corporate Deposit	2328812515	2118031653	1454165595
From Directors	<u>32449759</u>	<u>292849516</u>	<u>292849516</u>
	<u>2361262274</u>	<u>2410881169</u>	<u>1747015111</u>

**From others:-**

Inter Corporate Deposit	<u>512567681</u>	<u>156390627</u>	<u>214500000</u>
	<u>512567681</u>	<u>156390627</u>	<u>214500000</u>
<b>TOTAL</b>	<b>2873829955</b>	<b>2567271796</b>	<b>1961515111</b>

NOTE:- All unsecured loans are repayable on demand. As they are repayable on demand, they are shown as short term borrowing.

**NOTE - 13**  
**TRADE PAYABLES**

Micro, Small & Medium Enterprise	0	0	0
Others	164753968	92580670	24681811
<b>TOTAL</b>	<b>164753968</b>	<b>92580670</b>	<b>24681811</b>

**NOTE - 14**  
**OTHER CURRENT FINANCIAL LIABILITIES**

Current Maturity of Long Term Debt	620000000	300000000	0
Customer Booking Refundable	2100001	1100000	0
<b>TOTAL</b>	<b>622100001</b>	<b>301100000</b>	<b>0</b>

**NOTE - 15**  
**OTHER CURRENT LIABILITIES**

Statutory Liabilities	9737795	9040423	6410882
Advance From Customers	164098913	187844425	17202530
<b>TOTAL</b>	<b>173836708</b>	<b>196884848</b>	<b>23613412</b>

**NOTE - 16**  
**CURRENT TAX LIABILITIES [NET]**

Provision for Income Tax	105000000	165000000	0
Less:-			
Advance payment of Income Tax & TDS	<u>2258438</u>	<u>1363455</u>	<u>0</u>
	<u>102741562</u>	<u>163636545</u>	<u>0</u>
<b>TOTAL</b>	<b>102741562</b>	<b>163636545</b>	<b>0</b>



ESSEM INFRA PRIVATE LIMITED  
NOTES FORMING PART OF ACCOUNTS

[AMT. RS.]

PARTICULARS YEAR ENDED 31/03/2017 YEAR ENDED 31/03/2016

NOTE - 17

REVENUE FROM OPERATIONS

Sales	1596579256	1013933940
Miscellaneous Income	21739	0
Service Tax Cenvat availed of earlier Yr. reversed	0	3837571
Sundry Credit Balances W/off.	2191	7457
<b>TOTAL</b>	<b>1596603186</b>	<b>1017778968</b>

NOTE:- 18

OTHER INCOME

Interest Income from:		
-Bank on F.D.	11305578	8099582
-Others	0	25039
<b>TOTAL</b>	<b>11305578</b>	<b>8124621</b>

NOTE - 19

COST OF MATERIAL CONSUMED

Carting Exp.	917576	6999820
Electric Exp.	3338490	1678805
F.S.I. Expenses	473009447	0
Labour Exp.	3860787	3112008
Labour Welfare Expenses	7100	0
Machinery Rent	451849	370462
Professional Fees	2764767	4425050
Raw-material consumed	81803120	73289594
Repairs & Maintenance Exp.	16267	82141
Security Expenses	502578	439909
Site Exp.	846241	570841
Site Office Exp.	200385	169077
Survey Exp.	78286	720110
Work contract Exp.	666591018	251480875
<b>TOTAL</b>	<b>1234387911</b>	<b>343338692</b>

NOTE:- 20

CHANGES IN INVENTORIES

CLOSING STOCK:-

WIP	4736477202	4353126931
<b>TOTAL</b>	<b>4736477202</b>	<b>4353126931</b>

LESS: OPENING STOCK:-

WIP	4353126931	3932647129
<b>TOTAL</b>	<b>4353126931</b>	<b>3932647129</b>
(Increase) / Decrease in stock	<b>(383350271)</b>	<b>(420479802)</b>
<b>TOTAL</b>	<b>(383350271)</b>	<b>(420479802)</b>

NOTE - 21

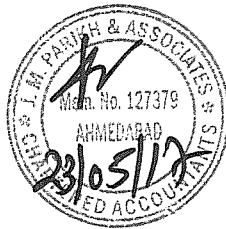
FINANCE COST

Interest to:-

-Debenture holders	320204429	393716277
-Others	73619514	23712646
-On Late Payment of Taxes	4151034	7895273
<b>TOTAL</b>	<b>397974977</b>	<b>425324196</b>

Loan Processing Charges  
Bank Charges

Loan Processing Charges	12808105	36000000
Bank Charges	344668	177056
<b>TOTAL</b>	<b>411127750</b>	<b>461501252</b>



ESSEM INFRA PRIVATE LIMITED  
 NOTES FORMING PART OF ACCOUNTS  
 PARTICULARS

[AMT. RS.]

YEAR ENDED 31/03/2017 YEAR ENDED 31/03/2016

NOTE - 22  
 OTHER EXPENSES

ADMINISTRATIVE & OTHER EXPENSES:-

Audit Fee	979875	979875
CSR Expenses	4944500	0
Computer Consumable Expenses	0	350
Depository Expenses	0	41005
Insurance Expenses	754687	2272355
Internet Charges	37467	35872
Management Fees Expenses	0	10139339
Miscellaneous Expenses	0	4744
Office Expenses	6130	29748
Legal & Professional Fees	5687451	2136299
Penalty	46706	132800
Postage & Courier Expenses	162400	212782
Previous Year Expenses	0	168540
Roc Filing Fees	3710	12000
Stationery & Printing Expenses	12594	28019
Sundry Debit Balances W/off.	0	16742
Swachhh Bharat Cess on Service Tax	133903	69007
Travelling & Conveyance Expenses	0	1265
Vat Expenses	39199	1322452

12808622 17603194

MARKETING EXPENSES:-

Advertisement Expenses	19980823	51412758
Brokerage Expenses	1297515	3697413
Brouchure Expenses	0	5599124
Sales promotion Expenses	2190477	29770627

23468815 90479922

TOTAL

36277437 108083116



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**23. SIGNIFICANT ACCOUNTING POLICIES:**

**1.1 NATURE OF OPERATIONS:**

The Company was incorporated in 2015. The company is a private limited company incorporated and domiciled in India. And has its registered office at Ahmedabad, Gujarat, India. The company's main business is real estate promotion and development in residential and commercial segment.

**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

The financial statements for the year ended 31st March, 2016 and the opening Balance Sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. The financial statements for the year ended on 31st March, 2017 are the first financial statement of the Company under Ind AS. In accordance of Ind AS 101, First time Adoption of Indian Accounting Standard, the Company has given an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows (Refer note 24).

The financial statements have been prepared on going concern and accrual basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'.

The financial statements of the Company for the year ended March 31, 2017 were approved by the Board of Directors on 23/05/2017.

**1.3. BASIS OF MEASUREMENT:**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities as specified and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

**1.4 BASIS FOR CLASSIFICATION OF ASSETS & LIABILITIES:**

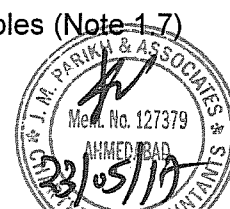
All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets or processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – non current classification of assets and liabilities.

**1.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.13)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.7)
- Estimation of taxes (Note 1.11)
- Estimation of impairment (Note 1.10, 1.14)
- Estimation of provision and contingent liabilities (Note 1.17)



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**1.6. RECENT ACCOUNTING DEVELOPMENTS**

Standards issued but not yet effective:-

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:-

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:-

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety.

The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

**1.7. PROPERTY, PLANT & EQUIPMENT:**

- A. Property, Plant & Equipment are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and other directly attributable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Transition to Ind AS:-

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

- B. Depreciation on fixed assets:

Depreciation is provided based on a pro-rata basis on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 on the "Written down value" method in respect of all assets.



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**1.8 INTANGIBLE ASSET**

Intangible Assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of asset can be measured reliably.

Intangible Assets are stated at cost, net of accumulated amortization and accumulated impairment loss, if any. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Transition to Ind AS:-

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Intangible assets with finite lives are amortized over their useful economic life. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

**1.9. BORROWING COST:**

Borrowing costs attributable to the acquisition, construction or production of qualifying assets (i.e. assets that necessarily take substantial period of time to get ready for their intended use or sale) are capitalised as part of the cost of such asset up to the date when such asset is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments is reduced from the borrowing cost.

**1.10 FINANCIAL INSTRUMENT:**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

1) Financial Asset:-

Initial recognition and measurement:

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement:

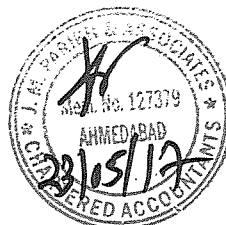
For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

(a) Financial Asset measured at amortized cost:

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

- (a) Trade receivables
- (b) Loans
- (c) Other financial assets



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

- (b) **Financial Assets Measured at fair value through other comprehensive income:**  
Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.
- (c) **Financial Assets at fair value through profit or loss (FVTPL):**  
Financial Asset are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

**Equity Instruments:-**

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

**De-recognition of Financial Assets:-**

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

**Impairment of Financial Assets:-**

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial Assets that are debt instruments and are measured at FVTOCI.
- (c) Lease receivables under Ind AS 17.
- (d) Trade receivables or any contractual right to receive cash or another financial asset
- (e) Loan commitments which are not measured at FVTPL
- (f) Financial guarantee contracts which are not measured at FVTPL

**(II) Financial Liability**

**Initial recognition and measurement:**

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

**Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Financial Liabilities at amortized cost:**

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.





**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other Financial Liabilities

**Derecognition:**

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

**1.11. INCOME TAXES:**

Income tax expense for the year comprises of current tax and deferred tax.

Provision for Current Tax is computed as per Total Income Returnable under the Income Tax Act, 1961 taking into account available deductions and exemptions.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

**1.12. REVENUE RECOGNITION:**

The company is following the 'Percentage of Completion Method' of accounting. As per this method, revenue from sale of properties is recognized in Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and reward to the buyer.

The Company records revenue on all its Real Estate Development Projects in accordance with 'Guidance note on Accounting for Real Estate Transactions' issued by the Institute of Chartered Accountants of India.

The full revenue is recognized on sale of property when the Company has transferred to the buyer all significant risks & rewards of ownership and when the seller has not to perform any substantial acts to complete the contract.

However, when the Company is obliged to perform any substantial acts after transfer of all significant risks & rewards of ownership on sale of property, the revenue is recognized on proportionate basis as the acts are performed i.e. by applying the percentage completion method.

Interest income is recognized using the effective interest rate (EIR) method.

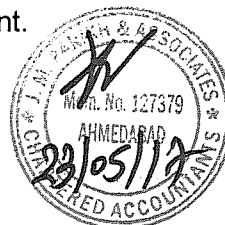
**1.13. RETIREMENT & OTHER EMPLOYEE BENEFITS:-**

**A. Defined Contribution Plans:-**

The company's contribution paid / payable for the year to Provident Fund are recognized in the Profit & Loss Statement. The company has no obligation other than the contribution payable to the Government.

**1.14. IMPAIRMENT OF ASSETS:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized in the year in which an asset is identified as impaired as an expense in the Profit and Loss Account.



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**1.15. INVENTORY:**

Inventories are valued at the lower of cost and net realisable value.

- A. In case of the inventory of Raw-materials, they are valued at cost using FIFO method.
- B. The Closing stock of WIP has been valued at cost.

**1.16. TRANSACTIONS IN FOREIGN CURRENCY:**

- A. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.
- B. Monetary items denominated in foreign currencies at the period end are restated at year end rates.
- C. Non monetary foreign currency items are carried at cost.
- D. Any income or expense on account of exchange difference either on settlement or on transaction is recognised in the statement of profit and loss.

**1.17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past event, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arise from past event where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount can not be made.

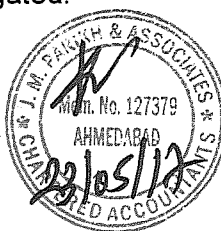
**1.19. EARNINGS PER SHARE:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

**1.20. CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**24. First-time adoption of Ind AS**

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below.

**A. Mandatory Exceptions from retrospective application:-**

**Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at 1 April, 2015 are consistent with the estimates as at same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investments in equity instruments carried at FVTPL or FVTOCI
- Investments in debt instruments carried at FVTPL
- Impairment of financial assets based on expected credit loss model.

**Classification and measurement of financial assets:**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**B. Optional Exemptions from retrospective application:-**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**Deemed cost:**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

**C. Transition to Ind AS – Reconciliations:-**

There were no significant reconciliation items between Equity, Profit & Loss and cash flows prepared under Indian GAAP and those prepared under Ind AS.

25. Corresponding figures of the previous year have been regrouped to confirm with this year's classification wherever necessary.

26. In the opinion of the Board of Directors, the Current Assets and Loans & Advances are approximately of the value stated, if realised in the ordinary course of business.



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

27. Details of Auditors' Remuneration are as follows: [AMT. RS.]

PARTICULARS	2016-2017	2015-2016
Audit fees	979875	1116375
For Certification & other matter	557375	378639
<b>Total</b>	<b>1537250</b>	<b>1495014</b>

28. Based on the information available with the company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31<sup>st</sup> 2017. Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

29. Earning per share:

SR. NO.	PARTICULARS	2016-2017	2015-2016
A	<b>Basic &amp; Diluted EPS (IN Rs.) From Continuing Operations attributable to equity share holders</b>		
	-Basic	13629.79	23759.18
	-Diluted	13629.79	23759.18
B	<b>Reconciliation of earnings used in calculation of Basic &amp; Diluted EPS</b>		
	Profit attributable to equity shareholders used in calculation of Basic EPS from continuing operations	204446897	356387696
C	<b>Weighted Average number of shares as denominator</b>		
	Weighted average number of shares used in calculation of Basic EPS	15000	15000
	Weighted average number of equity shares and potential equity shares used as denominator in calculation of Diluted EPS	15000	15000

30. Financial Instrument by Category: [AMT. RS.]

PARTICULARS	2016-2017			2015-2016		
	FVTPL	FVTOCI	AMORTISED COST	FVTPL	FVTOCI	AMORTISED COST
<b>Financial Assets</b>						
-Loans			5000000			5000000
-Trade Receivables			1796777101			681935820
-Cash & cash equivalents			13356327			6573582
-Bank balances other than above			167483794			114340024
<b>Financial Liabilities</b>						
-Borrowings			5376124051			4516821719
-Trade Payables			164753968			92580670
-Other financial liabilities			622100001			301100000

\*Since all the financial Assets and Financial liabilities are measured at amortised cost, disclosure of fair value hierarchy is not being made



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS:**

31. Fair Value of Financial Assets & Liabilities measured at amortized cost: [AMT. RS.]

Particulars	2016-2017		2015-2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
-Loans	5000000	5000000	5000000	5000000
-Trade Receivables	1796777101	1796777101	681935820	681935820
-Cash & cash equivalents	13356327	13356327	6573582	6573582
-Bank balances other than above	167483794	167483794	114340024	114340024
<b>Financial Liabilities</b>				
-Borrowings	5376124051	5376124051	4516821719	4516821719
-Trade Payables	164753968	164753968	92580670	92580670
-Other financial liabilities	622100001	622100001	301100000	301100000

- A. The carrying amounts of trade receivables, trade payables, current loans, capital creditors and cash and cash equivalents, other financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- B. The fair values of non-current borrowings and non current Loans are same as their amortised cost since the borrowings are interest bearing at the prevalent market rate.

32. Financial Risk Management:-

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure	Measurement	Management
Credit Risk	Financial Assets measured at amortised cost	-Ageing Analysis -Credit Ratings	Diversification, Credit Limits
Liquidity Risk	Borrowing and other liabilities	Rolling Cash flow forecasts	Availability of committed borrowing facilities
Market Risk - Interest Rates	Variable Rate Borrowings	Sensitivity Analysis	Conversion of loan from higher interest rate to lower interest rate

**Credit Risk Management**

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a company basis for each class of financial instruments with different characteristics.



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Financing Arrangements: [AMT. RS.]**

Particulars	2016-2017	2015-2016
Floating Rate:		
Expiring within 1 year	620000000	300000000
Expiring beyond 1 year	2502294096	1949549923

**Maturities of financial liabilities (except current maturity of long term debts) as on 31.03.2017 & 31.03.2016 [AMT. RS.]**

Financial Liabilities	2016-2017			2015-2016		
	<3 month	3 to 6 month	Total	<3 month	3 to 6 month	Total
<b>Non Derivative</b>						
Trade Payables	164753968	0	164753968	92580670	0	92580671
Customer Booking Refundable	0	2100001	2100001	0	1100000	1100000

**Market Risk Management**

**Cash flow and fair value interest rate risk**

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its cash flow interest rate risk by converting higher rate interest loan to lower rate interest rate.

**Interest rate risk exposure**

Particulars	2016-2017	2015-2016
Variable Rate borrowings	3122294096	2249549923
Fixed Rate Borrowings	2873829955	2567271796



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

At the end of reporting period the Company had the following variable rate borrowings.  
 [AMT. RS.]

Particulars	2016-2017			2015-2016		
	Average Interest Rate %	Balance	% of Total Loan	Average Interest Rate %	Balance	% of Total Loan
Term Loan From NBFC	13.75	1189999998	38.11	13.75	1949549923	100
Debentures	13.75	1932294098	61.89	0	0	0
Net Exposure		3122294096			1949549923	

Sensitivity Analysis [AMT. RS.]

Particulars	Impact on PAT		Impact on other Components of Equity	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Interest Rate increase by 50 basis points	14471817	15466334	0	0

33. Capital Management:

The Company's objectives when managing capital are to

- A. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- B. Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity'  
 [AMT. RS.]

Particulars	2016-2017	2015-2016
Net Debt	5362767724	4510248137
Total Equity	534032103	329585206
<b>Debt Equity Ratio</b>	10.04	13.68

34. Income Taxes: [AMT. RS.]

Particulars	2016-2017	2015-2016
Current Tax	105000000	165000000
Deferred Tax	(3988)	12049933
Total Income Tax Expenses	104996012	177049933

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate [AMT. RS.]

Particulars	2016-2017	2015-2016
Profit Before Tax	309442909	533437629
Statutory Tax Rate (%)	34.61%	34.61%
Tax at statutory tax rate	107092001	184612094
Tax effects of amounts which are not deductible in calculating taxable income due to adjustments as per income tax act	(2095989)	(7562161)
Income Tax Expense	104996012	177049933



**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**Current Tax Asset/ (Liability) [AMT. RS.]**

Particulars	2016-2017	2015-2016
Income Tax asset/(liability) at the beginning of the reporting period	(163636545)	0
Increase in liability as per income tax adjustment	(23815180)	0
Income Tax paid/(refund)	187451725	0
Current income tax payable for the year	(104996012)	(177049933)
Net Current Income Tax Asset/(liability) at the end of the period	(102741562)	(163636545)
Income Tax Asset	0	0
Income Tax Liability	102741562	163636545

**Deferred Tax Assets/ (Liabilities) [AMT. RS.]**

Particulars	2016-2017	2015-2016
The balances comprises temporary differences attributable to :	2627	12052560
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	0	(12049933)
Related to Fixed Assets	3988	0
Deferred Tax Liabilities		
Difference	0	0
Net Deferred Tax Asset/(liability)	6615	2627

35. Segment information:

In line with Ind AS 108 operating segments and basis of the review of operations being done by the senior management , the operations of the group falls under real estate business which is considered to be the only reportable segment by the management.

1. Information about Products and Services:

Product/Service	Revenue from the product [AMT. RS.]	
	2016-2017	2015-2016
Real Estate Promotion & Development	1596603186	1017778968

2. Information about Geographical Areas:

Geographical Information	Within India [AMT. RS.]	
	2016-2017	2015-2016
Revenues	1596603186	1017778968
Non Current Assets	55565	74605

3. Information about Major Customers:

Revenue from transactions with a single customer does not amount to 10 percent or more of entity's revenues with any customer.

36. Information Concerning Classification of Securities:

Assets Pledged as security [AMT. RS.]

Particulars	2016-2017	2015-2016
<b>Current</b>		
Financial Asset:		
-First Charge	0	0
-Floating Charge	1796777101	681935820
Non-Financial Asset:		
-First Charge	0	0
-Floating Charge	4739081385	4354952406
Non-Current		
First Charge	0	0
Total assets pledged as security	6535858486	5036888226





**ESSEM INFRA PRIVATE LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

37. Related party disclosures:-  
**1. HOLDING COMPANY:-**  
 Ganesh Housing Corporation Limited.

**2. KEY MANAGEMENT PERSONNEL:-**

Shri Dipak G. Patel
Shri Shekhar G. Patel

**3. RELATIVES OF KEY MANAGERIAL PERSONNEL:-**

Smt. Archanaben S. Patel
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Nature of transactions with related parties and aggregate amount of such transactions for each class of related parties balances outstanding as on 31/03/2017.

(Related Party relationship is as identified by the Company and relied upon by the auditors.)

Transactions with Related Parties:- [AMT. RS.]

PARTICULARS	2016-2017			2015-16		
	HOLDING COMPANY	OTHER RELATED PARTY	KEY MANAGERIAL PERSON	HOLDING COMPANY	OTHER RELATED PARTY	KEY MANAGERIAL PERSON
<b>Loan Taken</b>						
Ganesh Housing Corporation Limited	2328812515			2118031653		
Dipakbhai B. Patel			32449759			117449759
Mehulbhai B. Patel			0			175399757
<b>Trade Payables</b>						
Ganesh Housing Corporation Limited				10595609		
<b>Expenses Incurred</b>						
Ganesh Housing Corporation Limited - Management Fees				11609543		
Archanaben S. Patel					428400	

38. **DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**


The details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 is as follows. [AMT. Rs.]

PARTICULARS	SBNs	OTHER DENOMINATION NOTES	TOTAL
Closing cash in hand as on 08.11.2016	0	201858	201858
(+) Permitted receipts	0	68000	68000
(-) Permitted payments	0	65010	65010
(-) Amount deposited in Banks	0	0	0
Closing cash in hand as on 30.12.2016	0	204848	204848

AS PER OUR REPORT OF EVEN DATE  
 FOR J M PARIKH & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 FRN:- 118007W

ON BEHALF OF THE BOARD OF DIRECTORS

*Kaushal Shah*  
 KAUSHAL SHAH  
 PARTNER  
 MEM. NO. 127379



*Dipak G. Patel*  
 DIPAK G. PATEL  
 CHAIRMAN  
 [DIN: 00004766]

*Shekhar G. Patel*  
 SHEKHAR G. PATEL  
 DIRECTOR  
 [DIN: 00005091]

PLACE : AHMEDABAD  
 DATE : 23/05/2017

PLACE : AHMEDABAD  
 DATE : 23/05/2017