

Board of Directors

Mr. Shailesh Khaitan, Director
Mr. Shankar Lal Gupta – Director
Mr. Binod Kumar Kesan- Non Executive, Independent Director
Mr. Vikram Gupta–Non Executive, Independent Director
Mrs. Indu Tibrewala – Non Executive, Independent Director

Manager

Mr. Parimal Kanta Das

Chief Financial Officer

Md. Rafiullah

Company Secretary

Ms. Nayantara Agiwal

Audit Committee

Mr. Binod Kumar Kesan – Chairperson
Mr. Vikram Gupta
Ms. Indu Tibrewala

Nomination & Remuneration Committee

Ms. Indu Tibrewala – Chairperson
Mr. Binod Kumar Kesan
Mr. Vikram Gupta

Stakeholder Relationship Committee

Mr. Vikram Gupta – Chairman
Ms. Indu Tibrewala
Mr. Binod Kumar Kesan

Registered & Corporate Office

46C, Rafi Ahmed Kidwai Road
3rd floor, Kolkata – 7000016

Auditors

M/s. Patni & co.
Chartered Accountants
1, India Exchange Place
Kolkata – 700 001

Registrar & Share Transfer Agent

Niche Technologies Private Limited
D-511, Bagree Market, 5th floor
71, B. R. B. Basu Road
Kolkata – 700 001

Bankers

HDFC Bank Limited
2/6, Sarat Bose Road
Central Plaza, Kolkata

SHRADHA PROJECTS LIMITED

REPORT ON CORPORATE GOVERNANCE

BREIF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to highest level of transparency, accountability and equity in all facets of its operation and all its interaction with stakeholders, lenders, Government and other business associates proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuing basis.

MEETINGS OF THE BOARD:

The company has duly complied with section 173 of the Companies Act, 2013. During the year under review, **Nine (9)** board meetings were convened and held. The date on which meetings were held on **30.05.2016, 19.07.2016, 12.08.2016, 26.10.2016, 14.11.2016, 30.12.2016, 13.02.2017, 08.03.2017 and 31.03.2017**. The maximum interval between any two meetings did not exceed 120 days.

Name of Director	Type	Executive/ Non-executive	No. of Meeting Attended	No. of other Director-ship *	Whether Attend Last AGM	Other Board Committee Membership
Mr. Shailesh Khaitan	Promoter	Non-executive	5	2	Yes	Nil
Mr. Shankar Lal Gupta	Promoter	Non-executive	9	1	Yes	Nil
Mr. Binod Kumar Kesan	Independent	Non-executive	9	1	Yes	Nil
Mr. Vikram Gupta	Independent	Non-executive	9	0	Yes	Nil
Ms. Indu Tibrewala	Independent	Non-executive	9	0	No	Nil

*Excluding Private Company

FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and Nomination and Remuneration Committee.

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as

composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, attendance of the meetings, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

MEETING OF INDEPENDENT DIRECTORS:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors, Management Personnel. Such meetings are conducted informally to enable Independent Directors to discuss the matter pertaining to the Company's affairs and put forth their views to lead Independent Director. At present the Company has three Independent Directors i.e. Mr. Binod Kumar Kesan, Mr. Vikram Gupta, Ms. Indu Tibrewala

The meeting of Independent Directors held on **28.09.2016** during the year.

COMMITTEES:

With a view to have a more focused attention on business and for better governance and accountability, and in accordance with the Companies Act 2013, your Board has re-constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee.

i) AUDIT COMMITTEE:

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by its terms of reference which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 34 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement. The Audit Committee at present comprise of three Non-executive Directors. The Audit Committee met **four times (4)** during the year i.e. on **30.05.2016, 12.08.2016, 14.11.2016 and 13.02.2017**. The composition of the Audit Committee is as follows;

Members	Type	Executive/ Non-executive	No. of Meeting Attended
Mr. Binod Kumar Kesan	Chairman	Non-executive & Independent	4/4
Mr. Vikram Gupta	Member	Non-executive	4/4
Mrs. Indu Tibrewala	Member	Non-executive & Independent	4/4

The broad terms of reference of the Committee includes: -

- To hold periodic discussion with statutory auditors and internal auditors concerning the accounts, internal audit system, scope of audit and observations of the auditor/internal auditors
- To review compliance with internal control system.
- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- To review periodically statements of transactions with related parties in the ordinary course of business.
- To investigate into any matter in relation to items specified in Section 177 of the Companies Act, 2013 or as may be referred to it by the Board.
- To make recommendation to the Board on any matter relating to the financial management of the Company.

ii) NOMINATION AND REMUNERATION COMMITTEE:

One meeting of the Nomination and Remuneration Committee was held on 14th November, 2016. The composition of the Nomination and Remuneration Committee is as follows:-

Name of the Committee Members	Nature of Directorship	Membership
Ms. Indu Tibrewala	Independent Director	Chairman
Mr. Binod Kumar Kesan	Independent Director	Member
Mr. Vikram Gupta	Independent Director	Member

The broad terms of reference of the Committee includes: -

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to remuneration for the Directors, Key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director(s) based on their performance and defined assessment criteria.

iii) STAKEHOLDER RELATIONSHIP COMMITTEE:

Pursuant to section 178(5) of Companies Act 2013 and revised Regulation 20 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has renamed its existing investor/Shareholder Grievance Committee as “**Stakeholder Relationship Committee**” and revised the terms of reference accordingly. The Stakeholder Relationship Committee at present comprise of Three Non- executive Directors. Its composition can be seen as follows;

The Stakeholder Relationship Committee at present comprise of three Non-executive Directors. The Stakeholder Relationship Committee met once in the year i.e. **on 13.02.2017**. The composition of the Stakeholder Relationship Committee is as follows;

Members	Type	Executive/ Non-executive
Mrs. Indu Tibrewala	Chairman	Non-executive & Independent
Mr. Vikram Gupta	Member	Non-executive& Independent
Mr. Binod Kumar Kesan	Member	Non-executive & Independent

The broad terms of reference of the Committee includes: -

- Oversee and review all matters connected with the transfer of the Company’s securities.
- Oversee the performance of Company’s Registrars and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation and compliance with the Company’s Code of Conduct for prohibition of Insider Trading.

DETAILS OF LAST 3 ANNUAL GENERAL MEETING

Information about last three Annual General Meeting

Year	Date	Time	Location of Registered Office
2014	24.09.2014	11.00 P.M.	46C, Rafi Ahmed Kidwai Road, 3rd floor, Kolkata - 700 016
2015	25.09.2015	3.00 P.M.	46C, Rafi Ahmed Kidwai Road, 3rd floor, Kolkata - 700 016
2016	28.09.2016	10.00 A.M.	46C, Rafi Ahmed Kidwai Road, 3rd floor, Kolkata - 700 016

- i) No Special resolution was passed in the previous three Annual General Meetings.
- ii) No special resolution was proposed through postal ballot last year.

E-VOTING

On terms of Section 108 of the Companies Act, 2013, Rules framed there under and Clause 35B of the Listing Agreement, the Company is providing e-voting facility to its Members in respect of all Members' resolutions proposed to be passed at this Annual General Meeting.

MEANS OF COMMUNICATION

The unaudited Quarterly results of the Company are regularly submitted to the Stock Exchanges and published in News Papers in accordance with the Listing Agreement. The information is also available on the website of the company i.e. www.shradhaprojects.com

GENERAL SHAREHOLDER INFORMATION

A. Company Registration Details

The Company is registered in the State of West Bengal, India. The Corporate Identification Number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is **L27109WB1992PLC054108**.

B. Annual General Meeting

Date- 20th September, 2017

Time - 10.00 A.M

Venue- 46C, Rafi Ahmed Kidwai Road, 3rd floor, Kolkata - 700 016

C. Financial Calendar (April - March)

Quarter ending June 30, 2016.	: On or before 15 th August, 2016
Quarter ending September 30, 2016.	: On or before 15 th November, 2016
Quarter ending December 31, 2016.	: On or before 15 th February, 2017
Yearly Financial Results 2016-2017	: On or before 30 th May, 2017

D. Book Closure

The Register of members and Share Transfer Book will remain closed **from 14.09.2017 to 20.09.2017** (both days inclusive) on account of Annual General Meeting.

E. Dividend

No dividend is recommended for the year.

F. Listing at Stock Exchanges

1. The Calcutta Stock Exchange Association Ltd.

G. Stock Code

The Calcutta Stock Exchange Association Ltd: 12626

H. ISIN Number: INE851D01012

I. Depository Connectivity: NSDL and CDSL

J. STOCK MARKET DATA

Monthly high & low prices of Equity shares of the Company quoted at The Calcutta Stock Exchange during the year 2016-2017.

Month	Calcutta Stock Exchange Limited		
	High	Low	Volume
April'14	---	---	---
May'14	---	---	---
June'14	---	---	---
July'14	---	---	---
August'14	---	---	---
September'14	---	---	---
October'14	---	---	---
November'14	---	---	---
December'14	---	---	---
January'15	---	---	---
February'15	---	---	---
March'15	---	---	---
Total	---	---	---

K. REGISTRAR & TRANSFER AGENTS

Name

Niche Technologies (P) Ltd.
(For Physical & Demat Shares)

Address

71, Canning Street, Kolkata - 700 001

L. SHARE TRANSFER SYSTEM

Transfer of Shares are registered and processed by the Registrars & Share Transfer Agents within 15 days from the date of receipt, if the relevant documents are completed in all respect

M. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2017

Sl. No.	No of Equity Shares held	No of Shares Holders	% of Shares Holders	No of Shares Held	% of Share Holding
1	Up to 500	1025	54.6958	2,21,090	2.8667
2	501 - 1000	771	41.1419	5,41,210	7.0174
3	1001 - 5000	48	2.5614	1,28,795	1.6700
4	5001 - 10000	10	0.5336	71,060	0.9214
5	10001-50000	11	0.5870	2,13,100	2.7631
6	50001-100000	2	0.1067	1,24,900	1.6195
7	100001 & above	7	0.3735	64,12,259	83.1420
	Total	1874	100.00	7712414	100.00

N. SHAREHOLDING PATTERN AS ON 31.03.2017

Category	No of Shares Held	% of Share Holding
Indian Promoters	4371549	56.68
Institution Investors	-	-
Private Corporate Bodies	2348035	30.45
Resident Individuals	992830	12.87
Total	7712414	100.00

O. ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE:

46C, RAFI AHMED KIDWAI ROAD,
3RD FLOOR, KOLKATA - 700 016

CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board.

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2017.

Date: 30.05.2017

Place: Kolkata

S. L. Gupta

(Director)

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global economy - Overview

After a lackluster out turn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economics. However there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The assumption underpinning the forecast should be more specific by the time of the April 2017 World Economic Outlook, as more clarity emerges on US policies and their implications on the global economy. With this caveats, aggregate growth estimates and projections for 2017-18 remain unchanged relative to the October 2016 World Economic Outlook. The outlook for advanced economics has improved for 2017-18 reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States. Growth prospectus has marginally worsened for emerging market and developing economics, where financial conditions have generally tightened. Near-term growth prospectus were revised up for china, due to expected policy stimulus but were revised down for a number of other large economies-most notably India, Brazil and Mexico.

This forecast is based on the assumption of changing policy mix under a new administration in the United States and its global spillovers. This now project some near term fiscal stimulus and a less gradual normalization of monetary policy. This project is consistent with the steepening U.S. yield curve, the rise in equity prices, and the sizable appreciation of the U.S. dollar since the November 8 election. This WEO forecast also incorporates a firming of oil prices following the agreement among OPEC members and several other major producers to limit supply.

According to IMF World Economic Outlook Update (January 2016) Indian economy is expected to grow at 7-7.20 percent during FY 2017-2018 despite the uncertainties in the global market. The Economic Survey had forecasted that the Indian economy will grow in between 6.75% - 7.50% for the third successive year and can start growing at eight percent or more in next two years. According to Fitch Rating Agency, India's gross domestic product (GDP) will be around 6.9 percent in FY 2017-18 and slowly accelerate to 8 percentages by FY 2018-19 driven by the gradual implementation of structural reforms, higher disposable income and improvement in economic activity. Global financial markets continue to face elevated levels of uncertainty notwithstanding the resilience to the outcomes of Brexit referendum and the US election. A negative feedback loop arising from productivity and global trade slowdowns and rising protectionism is adding to the pessimistic outlook on global recovery even as the uptick in US interest rates poses a significant risk to emerging market economies. While the spillover of global events to the domestic economy may continue to be significant, reduced policy uncertainty, along with tax and legislative reforms will help in realising the benefits from the strong macroeconomic fundamentals. The measures such as transition to the nationwide goods and services tax (GST) and the withdrawal of legal tender status of specified bank notes (SBNs) could potentially transform the domestic economy, notwithstanding some

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inconvenience to public and the momentary adverse impact on growth. While the financial performance of the corporate sector has improved in 2016-17, the risk of lower turnover remains.

Indian economy - Overview

Domestic macroeconomic conditions remain stable with significant moderation in inflation. Moreover reduced policy uncertainty and legislative and tax reforms such as implementation of goods and services tax (GST) and enactment of bankruptcy laws are expected to reinforce the benefit from the strong macro fundamentals. The withdrawal of legal tender status of specified bank notes (SBNs) could potentially transform the domestic economy. While the overall risk to the corporate sector moderated in 2016-17, concerns over its recovery. Domestic debts and equity markets witnessed foreign portfolio investment out flows since October 2016 reflecting expectations of increase in the interest rates by the US Fed. The domestic mutual funds have emerged as a counter balance to foreign portfolio investors as they increased their net investment significantly. According to Fitch Rating Agency India's Gross Domestic Product (GDP) will likely grow by 7.7percent in FY 2016-17 and slowly accelerate to 8 percent by FY 2018-19, driven by the gradual implementation of structural reforms, higher disposable incomes and improvement in economic activity. The GNPA (gross non performing advances) ratio of SCBs increased to 9.1% in September 2016 from 7.8% in March, pushing the overall stressed advances ratio to 12.3% from 11.5%. The large borrowers registered significant deterioration in their asset quality.

NBFCs in India

SPL is a registered NBFC-ND with RBI and the company is listed with Calcutta Stock Exchange Ltd. The company is actively engaged in the fund based activities, providing loans and advances, inter corporate deposits, investment in shares & securities etc. It is a professionally managed company, which focuses its vision on financial services & follows strict code of conduct of business by practicing fair business values with stake holders and society at large. It had been complying with all relevant enactments and status of the land in letter & in spirit. There is a strict adherence to ethics and responsibility towards all those who come within its corporate ambit. The year 2016-17 has been a tough year for the NBFCs on account of RBI's strict norms related to provisioning. NBFCs have emerged as vital intermediaries and have competed strongly with banks and financial institutions. However, the last two years have been challenging for the NBFC sector with asset growth rates moderating, delinquencies rising and profits plummeting. However, ample capital adequacy, a shift towards secured lending and lowered ALM risks have helped the sector absorb cyclical stresses on asset quality and profitability. The NBFC sector has been engaged in steady consolidation during the past few years and has been witness to weaker NBFCs gradually exiting, paving the way for a stronger sector.

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Opportunities and Threats

Our lending operations were quite focused but due to New NPA provisioning norms it made imperative for us to shift focus towards opportunities that generate earnings growth in the future. Corporate finance is one such field where we want to leverage our experience and expertise. Going ahead, we expect substantial margins from corporate financing, which will transform into higher profitability and recovery debts. At SPL, we shifted our focus on identifying pockets of opportunities across our network of operations. We redefined our model to serve corporate in need for small ticket size loans than those with large ticket size loan amount. This would bring in multiple benefits to us. One it would protect our margins and de-risk us from larger NPAs. Two, it would broaden our customer portfolio, widening our revenue basket in the coming years. We are confident that with this strategy we shall demonstrate our capabilities to strengthened our loan book, and create more values for our loan book, and create more value for our stakeholders. Your company has also adopted strategies to shift towards secured lending practices there by bringing down its gross NPAs and increasing its income from operations and profitability. The company is exposed to all risked & threat with financial markets & Non Banking Finance Company faces. In financial service business, effective management has become very crucial. As an NBFC, your company is exposed to credit risk, liquidity risk and interest rate risks. Your company has in place suitable mechanism to effectively reduce such risks. All risks are continuously analysed and reviewed at various levels of management through an effective information system. The company is also facing risk of heavy ups and downs in stock market which can be minimized due to risk management system of our company. Slow industrial growth, Being in an independent sector, competition from banks and financial institutions, Globalization of Indian market, Major shakeout in the NBFC sector, Hesitations on the parts of bank to continue to finance HP and leasing ventures, introduction of rigorous regulatory and supervision system are some other risk for which we are taking preventive measures as suitable. Can threats be handled using strengths? The perceived threat of stiff competition within the NBFCs as well as with banking sector can be eliminated /minimized by using the strength of being a niche player, consolidation and focus. It is clear that NBFCs can themselves take steps to minimize their weakness and face all threats by making better use of strengths and opportunities, identified by them. The areas where active intervention is required is the area of debt recovery for which the support and encouragement of the government is required. The future of the NBFC sector is bright with ample opportunities thrown open to the NBFC sector. With the growing mobile and data connectivity there is a sea change in terms of service availability. The Government's drive towards a connected and Digitized Indian economy coupled with advances high accessible trading platforms via mobile and growing awareness ensures that the securities and commodities market will grow steadily. India's population is gradually moving up the income curve and also India is the fastest growing major economy which in

SHRADHA PROJECTS LIMITED

turn has increased the credit scope for the industry and availability of larger and deeper market.

The RBI has continuously reduces the policy rate over the last two years making cost of capital more affordable .This would enhance and push economic growth. With inflation well under RBI's target, it has maintained liquidity in the market. If the inflation spikes up RBI could curb liquidity in the market which may have adverse impact on margins. There is a growing concern about the geopolitical scenario in the Middle East and Asia Pacific. It can have an adverse effect on global trade and markets.

Risks and mitigation

Being in the credit business, SPL is exposed to risks that are innate to the business environment which include market, credit, operational, human resource, interest, liquidity and economic risks. Further, unforeseen natural disasters and geopolitical problems may also have an adverse impact on the Company's business. At SPL, we dynamically observe and measure all possible risks and address them proactively, farsightedly and ethically.

Internal control systems

Absolute transparency and reliable operating systems and control measures are necessities of a successful business and its growth. At SPL an effective internal control system translates to reliable financial reports, operating effectiveness and overall efficiency. All its activities comply with applicable laws and regulations. A robust internal control system monitors transactions, which in turn safeguards the Company's assets. The Company has adequate internal control systems proportionate with the size and nature of its business along with suitable procedures, optimum resource utilization and strict compliance with all statutes. The audit committee reviews the adequacy of the internal control systems and follow-up actions are implemented immediately, if required.

Human resources

The Company continues to emphasize on retaining, training and enhancing its human resource base. The Company recognizes the role that human capital plays in the modern workplace and aims to create a harmonious environment to enable the raising of employee productivity and hence allow employees to reach their full potential. The recruitment, training, appraisal programmes of the Company continued to run seamlessly, coupled with performance-based incentives and better-than-industry-rates of compensation. These efforts resulted in growing the human capital which translated into lower employee turnover rates.

SHRADHA PROJECTS LIMITED

Operations and financial performance

During the year, despite of uncertainty in the Indian market scenario in the last quarter of the year, our prudent business management tactics resulted in a net profit of ₹ 52 lac.

Outlook

The outlook for the sector over next year looks comparatively better on account of positive trend of growth in the economy which is expected to boost credit demand. This along with revival of certain infrastructure projects, which have been cleared by the cabinet committee in recent months, pick-up in industrial growth and corporate capex investments also is expected to benefit most of the commercial assets financed by the NBFCs and is expected to ease the pressure on the cash flows of their borrowers through enhanced utilization of their assets.

Cautionary statement

Statements in this report on management discussion and analysis, describing the Company's objectives, estimates, expectations or predictions are all 'forward-looking statements' within the meaning of the applicable securities, laws and regulations. These statements are based on certain assumptions and expectations regarding future events. The Company assumes no responsibility whatsoever to publicly amend, modify or revise any 'forward-looking statements' on the basis of any subsequent information, developments and events.

SHRADHA PROJECTS LIMITED

DIRECTOR'S REPORT

To
The Members
SHRADHA PROJECTS LIMITED

Your Directors have pleasure in presenting their 26th Annual Report and Audited Accounts of your Company for the year ended 31st March, 2017.

REVIEW OF OPERATION

Highlights of the company's performance for the year 2016-17 are reproduced for your consideration
(in crores)

Particulars	For the year ended 31st March, 2017	For the Year Ended 31st March, 2016
Revenue from operations	1.32	1.24
Other Income	.33	.31
Total Income	1.65	1.55
Total Expenses	.77	.59
Profit/(Loss) Before Tax	.88	2.36
Provision for Taxation	.29	.28
Deferred Tax Asset/(Liability)	.007	(.01)
Income Tax for the earlier year	.03	(.01)
Profit/(Loss) After Tax	.55	2.09

CHANGE IN NATURE OF BUSINESS:

There has been no change in nature of business of the company during the F.Y. 2016-2017.

MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments affecting the financial position of the company have accrued between the date financial year of the Company and date of the report.

DIVIDEND:

Your Board of Directors has decided that the funds of the company are required for future expansion of the company and so the profits of the company for the year ended on 31st March 2017 shall be deployed for the said purpose. The Board has decided not to recommend any dividend for the year ended 31st March 2017.

TRANSFER TO RESERVE:

Your company has transferred Rs 11,03,115/- i.e. 20% (approx) of Profit after Tax to statutory reserve under section 45 IC of RBI Act 1934 for the year ended 31.03.2017.

CHANGES IN SHARE CAPITAL:

The paid up Equity Share Capital as on 31st March, 2017 stood at Rs 77,124,140/-. During the year under review, the Company has not issued any shares with differential voting rights, sweat equity shares

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nor granted any stock options. The company neither came out with rights, bonus, private placement and preferential issue.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has policy for Internal Financial Control System, commensurate with the size, scale and complexity of its operations. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The scope and authority of the Internal Audit (IA) function is defined in the internal financial control policy. The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Financial control system in the Company, its compliance with operating systems, accounting procedures and policies. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board, the internal audit report on quarterly basis and some are reviewed by the committee. The observation and comments of the Audit Committee are placed before the board.

DIRECTORS AND KEY MANAGERIAL PERSON:

Directors

Mr. Shailesh Khaitan – Promoter

Mr. Shankar Lal Gupta - Promoter

Key Managerial Personnel

Mr. Parimal Kanta Das - Manager

Md. Rafiullah - Chief Financial Officer

Ms. Nayantara Agiwal - Company Secretary

Non-Executive, Non Independent Directors

Mr. Binod Kumar Kesan - Non – executive Independent Director

Mr. Vikram gupta - Non – executive Independent Director

Ms. Indu Tibrewala - Non – executive Independent Woman Director

Appointment & Resignation:

Mr. Binod Kumar Kesan, Mr. Vikram Gupta and Ms. Indu Tibrewala continued as Independent Directors of the Company

Mr. Parimal Kanta Das continued as Manager of the Company.

Ms. Nayantara Agiwal continued as Company Secretary of the Company.

Md. Rafiullah continued as Chief Financial Officer of the Company.

No appointments were made during the financial year under the review.

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MEETINGS OF THE BOARD:

Nine meetings of the Board of Directors were held during the year. For Further details please refer report on Corporate Governance of this Annual Report.

MANAGERIAL REMUNERATION:

The statement containing the disclosure as required in accordance with the provisions of Section 197(12) of the Companies Act 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure I**. and forms a part of the Board Report. Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 so statement pursuant to Section 197(12) of the Companies Act 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be included.

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:

Your Company has no Subsidiary Company. Details of Associate Companies during the year under review is annexed as **Annexure II** (i.e. in Form AOC – I) and forms part of the Board Report.

AUDITORS & AUDITORS REPORT

STATUTORY AUDITORS: M/s. **Patni & Co.** (Firm Regn. No. - 320304E), Chartered Accountants was appointed as Statutory Auditors of the Company for a period of 1 year pursuant to section 139(2) of the Companies Act 2013 and rules made thereon in the Annual General Meeting held on 28th September 2016.

As per section 139 of the Companies Act, 2013, relating to rotation of auditors, M/s Vasudeo & Associates (FRN: 319299E), Chartered Accountants have confirmed their eligibility under section 141 of the Companies Act 2013 and rules framed there under and also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under clause 49 of Listing Agreement. As required under section 139 of Companies Act 2013, the appointment of Statutory Auditor is required to be placed before the members in every general meeting for their ratification. Accordingly a resolution seeking member's consent for the appointment of **M/s. Vasudeo & Associates**. (Firm Regn. No. – 319299E) as statutory Auditor for the F.Y. 2017-2022 is included in the Notice convening the Annual General meeting.

SECRETARIAL AUDITOR: Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed **Ms. Shilpi Agarwal**, a Practicing Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as **Annexure III**.

INTERNAL AUDITOR: Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014 the Company has appointed **M/s. Jain Binod & Associates**, to

SHRADHA PROJECTS LIMITED

undertake the Internal Audit of the Company F.Y 2016-2017. There stood no adverse finding & reporting by the Internal Auditor in the Internal Audit Report for the year ended 31st March 2017.

AUDITOR REPORTS: There are no qualifications, reservation or adverse remarks made by **M/s Patni & Co.**, the statutory Auditor, in their report. As regards to observation made by the Secretarial Auditor we are state that necessary steps are being taken to comply with the requirements.

The statutory Auditor has not reported any incident of fraud to the Audit committee of the company in the year under review.

MEETINGS OF THE COMMITTEES:

For details please refer report on Corporate Governance of this Annual Report.

RISK MANAGEMENT POLICY:

Pursuant to section 134(n) of Companies Act 2013 and revised clause 49 of Listing Agreement, your company has a robust Risk management framework to identify, evaluate business risk and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the competitive advantage. The framework has different risk models which help in identifying risk trends, exposure and potential impact analysis at a company level. The said policy is hosted on the website of the company (www.shradhaprojects.com).

VIGIL MECHANISM /WHISTLE BLOWER POLICY:

Your Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The company has adopted a Whistle Blower policy to establish a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or ethics policy. The said policy is hosted on the website of the company (www.shradhaprojects.com).

CORPORATE SOCIAL RESPONSIBILITY:

The Clauses relating to Corporate Social Responsibility is not applicable to the Company

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure IV.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

SHRADHA PROJECTS LIMITED

There are no significant material orders passed by the Regulators /Courts/Tribunals which would impact the going concern status of the Company and its future operations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

1. The Company has mortgaged its fixed assets viz Apartment No 206, 2nd floor, Apollo Arcade, ½ Old Palasia - Indore and Flat no. 402 situated at Twin Tower, 5/2 Old Palasia, Indore with IDBI as security on the Term Loan taken by M/s Khaitan Chemical & Fertilizers Limited of **Rs. 10 Crores**.
2. The Company has given a Corporate Guarantee in favor of Indus Valley World School; a school runs by Gopal Chakraborty Charitable Trust, affiliated by C.B.S.E. to be given to Allahabad bank, SME Finance Branch, 3, Red Cross Place, Kolkata – 700001 to facilitate them to avail various credit facilities from the bank towards a loan amounted to **Rs. 3051 lacs**.
3. Further the Company has given corporate guarantee towards a Loan of **Rs. 2521 Lacs** raised by B. D. Memorial Institute from Allahabad Bank.
4. The Company has given Corporate Guarantee towards a Loan of Rs 3000 lacs raised by Khaitan Chemicals & Fertilizers Limited from State bank of India, Commercial Branch, Indore.
5. The Company has received Order u/s 143(3) of the Income Tax Act, 1961 for the financial year 2013-14 (AY 2014-15) in which certain additions were made by the Income Tax department while computing the tax liability of the company and accordingly demand of Rs 4.87 lacs has been raised by the Authority. But an appeal has been preferred by the Company with CIT(Appeals) for defending the case and management is hoping that the case will be decided in the favour of the Company, so no provision has been made in regard to demand raised by the Income Tax Department.

DEPOSITS:

Your company is non deposit taking NBFC registered with RBI, thus the said clause is not applicable and the company does not accept any deposit. The Board of Directors has duly passed a resolution in their meeting giving effect to the aforesaid statement.

CONTRACTS/ TRANSACTIONS / ARRANGEMENTS WITH RELATED PARTIES:

All contracts/ arrangements/transactions with related parties entered by the company during the financial year were on an arm's length basis and were in the ordinary course of business and thus the provisions of section 188 of the Companies Act 2013 are not attracted and thus disclosure about details of contracts or arrangements or transactions with related parties referred to in section 188(1) in Form AOC-2 is not required. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or their relatives or other designated persons which could have a potential conflict with the interest of the Company at large. All Related Party Transactions are periodically placed before the Audit Committee as also the Board for approval. During the year under review the company has not taken any omnibus approval from Audit committee. A Related Party policy has been devised by the board of Directors for determining the materiality of transactions with related parties and dealing with them. Further your directors draw your

SHRADHA PROJECTS LIMITED

kind attention of the members to note no 2.30 to the financial statements which sets out related party transactions.

CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report on Corporate Governance and Management Discussion & Analysis forms part of the Annual Report. The Certificate from Auditor of the company confirming compliance with the conditions of Corporate Governance as stipulated under 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also constitute an integral part of the Annual Report.

DISCLOSURES ON POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT:

The Company believes that it is the responsibility of the organization to provide an environment to its employee which is free of discrimination, intimidation and abuse and also to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment. Further there stood no cases filed during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOES:

The particulars in respect of conservation of energy and technology absorption are not applicable during the year under review. There is no earning and outgo in Foreign Exchange.

RESEARCH & DEVELOPMENT

The Company has not incurred any sum in respect of Research & Development for any of its activity.

DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) That in the preparation of Annual Accounts, the applicable Accounting Standard has been followed alongwith proper explanations relating to material departures.
- (b) That the Directors have selected such 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 financial year and the Statement of Profit and Loss for that period.
- (c) That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities.
- (d) That the Directors have prepared the Annual Accounts on Going Concern Basis.
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

SHRADHA PROJECTS LIMITED

ACKNOWLEDGEMENTS:

Your Directors take the opportunity to thank the Regulators, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Place: Kolkata

Date: 30.05.2017

Director

Director

SHRADHA PROJECTS LIMITED

Annexure I to the Boards Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The Directors of the Company do not receive any salary. Thus there is no ratio of the remuneration of each director to the median remuneration of the employees.
- (ii) The salary of the Company Secretary increased 8.45%. Salary of the Manager increased 11%. Salary of the CFO increased 9.75%.
- (iii) The Median Remuneration of Employees as on March 31, 2017 is Rs. 172,200. The percentage increase in the median remuneration of employees was 263.29% during the financial year.
- (iv) There were 9 (nine) permanent employees (including CFO, Company Secretary & Manager) on the rolls of Company as on March 31, 2017;
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (vi) Name of the top ten employees in terms of remuneration is as follows:

S.No	Name of the Employee	Salary Received
1	Mr. Harsh Vardhan Agnihotri	Rs. 1200000/-
2	Mr. I N Jha	Rs. 352462/-
3	Mr. Sanjay Bhattacharjee	Rs. 198000/-
4	Mr. Shuvabrata Halder	Rs. 146400/-
5	Mr. Anil Das	Rs. 97948/-
6	Mr. Ranjan Kumar Roy	Rs. 43420/-

SHRADHA PROJECTS LIMITED

Annexure II to the Boards Report

Form AOC- I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associates companies/joint ventures

Part A: Subsidiaries

Your Company has no Subsidiary Company during the year under review.

Part B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies & Joint Ventures:

Name of Associates	Arati Marketing Private Limited	B.O. Construction Private Limited	Indus Valley World School Pvt. Ltd.	Khaitan Paper & Packaging Private Limited
Latest Audited Balance Sheet Date	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2017
Shares of Associate held by the company as on 31.03.2017	412675	10,70,400	450000	323500
Amount Of Investment in Associates	9,71,000.00	5,09,99,200.00	45,00,000.00	58,84,855.00
Extend of Holding %	22.75%	22.45%	40.54%	20.74%
Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding
Reason why the Associate is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net worth attributable to Shareholding as per latest audited Balance sheet	88384338.08	39945928.41	4594514.55	9929844.73
Profit/Loss for the year				
i. Considered in Consolidation	--	--	--	--
ii. Not Considered in Consolidation	--	--	--	--

SHRADHA PROJECTS LIMITED

Name of Associates	Lilac Properties Private Limited	Manoj Fincom Private Limited	Accord Properties Private Limited	Infra Private Services (P) Ltd.
Latest Audited Balance Sheet Date	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2017	<u>As at 31st March 2017</u>
Shares of Associate held by the company as on 31.03.2015	126357	85500	136871	837000
Amount Of Investment in Associates	1,94,81,311.00	91,00,000.00	15719152	84,30,000.00
Extend of Holding %	44.41%	36.61%	47.19%	48.94%
Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding
Reason why the Associate is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net worth attributable to Shareholding as per latest audited Balance sheet	19018172.60	10003562.78	15951483.27	35275627.53
Profit/Loss for the year				
i. Considered in Consolidation	--	--	--	--
ii. Not Considered in Consolidation	--	--	--	--

SHRADHA PROJECTS LIMITED

Name of Associates	Shradha Infra Realty Private Limited	Shradha Technopack Private Limited	The Majestic Packaging Co. Private Limited	Vibra Tech Infrastructure Private Limited	Khaitan Chemicals & Fertilizers Limited
Latest Audited Balance Sheet Date	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2017	As at 31 st March 2017
Shares of Associate held by the company as on 31.03.2015	124980	212100	568910	75787	4,57,63,640
Amount Of Investment in Associates	11005240.00	26293000.00	15703970	15548288.00	9,64,77,116.93
Extend of Holding %	40.72%	45.46%	47.73%	45.81%	47.18%
Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
Reason why the Associate is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net worth attributable to Shareholding as per latest audited Balance sheet	22221707.00	32261184.06	61304627.04	18352004.11	608623887.20
Profit/Loss for the year					
i. Considered in Consolidation	--	--	--	--	--
ii. Not Considered in Consolidation	--	--	--	--	--

**SHILPI AGARWAL
COMPANY SECRETARY**

**2A, G.C. Avenue
7TH FLOOR, ROOM NO 8A
KOLKATA - 700 013
TEL NO: 9038522495
cs_shilpiagarwal@rediffmail.com**

FORM No MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Shradha Projects Limited
46C, Rafi Ahmed Kidwai Road
Kolkata-700016

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shradha Projects Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Shradha Projects Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Shradha Projects Limited ("the company") for the financial year ended on 31st March, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not applicable to the Company during the Audit Period).
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period).
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period).
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period).
- f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period).
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: (Not applicable to the Company during the Audit Period).
- vi) The other laws that are applicable and complied by the company are:
 - 1. Reserve Bank of India Act, 1934 and various directions issued by Reserve Bank of India, so far as applicable to Non-Banking Financial Company.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreement entered into by the Company with Calcutta Stock Exchange. However, the trading in the shares of the Company has been suspended.
- iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied **with** the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i. In some cases the Company has not complied with the provisions of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 and the Listing Agreement entered into by the Company with Calcutta Stock Exchange.**

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and process in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period that there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc referred to above.

Place: Kolkata

Signature:

Dated: 18th August, 2017

Name of the Company SHILPI AGARWAL

Secretary in practice:

FCS No : 43479

Note:

C.P.No. : 16001

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

SHILPI AGARWAL
COMPANY SECRETARY

2A, G.C. Avenue
7TH FLOOR, ROOM NO 8A
KOLKATA - 700 013
TEL NO: 9038522495
cs_shilpiagarwal@rediffmail.com

‘Annexure A’

To,
The Members,
Shradha Projects Limited
46C, Rafi Ahmed Kidwai Road
Kolkata-700016

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Babulal Patni
Practicing Company Secretary
FCS No - 43479
Certificate of Practice Number-16001

Date: 18th August, 2017

Place: Kolkata

CFO CERTIFICATION UNDER REGULATION 17(8)

To,
The Board of Directors
Shradha Projects Ltd.

1. We have reviewed financial statements and the Cash Flow Statement of Shradha Projects Ltd. for the year ended 31st March, 2017 and to take best of our knowledge & belief:
 - i) These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year.
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Md. Rafiullah
(Chief Financial Officer)

Independent Auditor's Report

**To
The Members of
SHRADHA PROJECTS LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **SHRADHA PROJECTS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

and

(b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date.

and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement – Note No. 2.35 to the Financial Statements.

ii. The Company does 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 the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealing in Specified Bank Notes (SBN's) during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.36 to the notes to the financial statements.

Place:-1, India Exchange Place,
Kolkata- 700 001

For PATNI & CO.
Chartered Accountants

Dated: The 30th Day of May, 2017

CA. PAVEL PANDYA
(Partner)
Membership. No. 300667
Firm Reg No. 320304E

Annexure -A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) As explained to us, no material discrepancies have been noticed on physical verification of inventories as compared to the book records.
- 3) The company has given loans to Four (4) companies covered in the register maintained under section 189 of the Companies Act, 2013.

In our opinion the terms and conditions on which loans have been granted to companies, firms or other parties listed in the registers maintained under section 189 of the Companies Act, 2013 are not prejudicial to the interest of the company.

The parties have been regular in the payment of interest.

There is no overdue amount of loan granted to companies, firms or limited liability partnerships or other parties listed in the registers maintained under section 189 of the Companies Act, 2013.

- 4) 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 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

- 8) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of loans and borrowings to a financial institution, bank, government or dues to debenture holders.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, 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 and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, 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 and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) The Company is a Non Banking Financial Company and is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly have obtained the required registration certificate from the Reserve Bank of India.

Place:-1, India Exchange Place,
Kolkata- 700 001

For PATNI & CO.
Chartered Accountants

Dated: The 30th Day of May, 2017

CA. PAVEL PANDYA
(Partner)
Membership. No. 300667
Firm Reg No. 320304E

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of SHRADHA PROJECTS 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 **SHRADHA PROJECTS LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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:-1, India Exchange Place,
Kolkata- 700 001

For PATNI & CO.
Chartered Accountants

Dated: The 30th Day of May, 2017

CA. PAVEL PANDYA
(Partner)
Membership. No. 300667
Firm Reg No. 320304E

SHRADHA PROJECTS LIMITED
Standalone Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholder's Funds</u>			
Share Capital	2.1	7,71,24,140.00	7,71,24,140.00
Reserves and Surplus	2.2	41,93,83,306.11	41,38,67,728.74
<u>Non-Current Liabilities</u>			
Long Term Borrowings	2.3	1,37,48,783.00	15,78,803.00
Long Term Provisions	2.4	1,12,358.00	1,12,358.00
<u>Current Liabilities</u>			
Short-Term Borrowings	2.5	2,20,426.64	1,55,00,000.00
Other Current Liabilities	2.6	2,01,58,877.85	14,29,139.00
Short- Term Provisions	2.7	3,03,974.00	3,03,203.00
Total		53,10,51,865.60	50,99,15,371.74
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
<u>Fixed Assets</u>			
Tangible Assets	2.8	1,94,79,049.76	38,70,905.98
Non- Current Investments	2.9	30,32,56,262.15	30,01,62,253.04
Deferred Tax Asset	2.10	4,12,820.00	4,87,572.00
Long Term Loans And Advances	2.11	1,91,90,389.50	1,87,03,780.50
Other Non-Current Assets	2.12	20,58,570.88	96,547.49
<u>Current Assets</u>			
Inventories	2.13	5,30,75,648.36	5,27,30,890.36
Trade Receivables	2.14	5,83,537.00	1,64,280.00
Cash And Bank Balances	2.15	36,86,835.42	62,34,315.79
Short-Term Loans And Advances	2.16	12,80,25,790.41	12,72,66,208.61
Other Current Assets	2.17	12,82,962.12	1,98,617.97
Total		53,10,51,865.60	50,99,15,371.74
Significant Accounting Policies	1		
Notes on Financial Statements	2	-	-

The notes referred to above form an integral part of the Financial Statement

As per attached report on even date

For **PATNI & CO.**

Firm Reg. No. 320304E

Chartered Accountants

CA. PAVEL PANDYA

(Partner)

Membership No.300667

Place : Kolkata

Date : May 30, 2017

For and On behalf of the board

S L Gupta

Director

(DIN: 00041007)

Md. Rafiullah

Chief Financial Officer

(PAN: BLWPR4409L)

Binod Kumar Kesan

Director

(DIN: 00038489)

Nayantara Agiwal

Company Secretary

(PAN: BDJPA6622B)

SHRADHA PROJECTS LIMITED

Standalone Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No	2016-17	2015-16
<u>INCOME</u>			
Revenue from operations	2.18	1,32,18,440.00	1,24,26,651.00
Other Income	2.19	32,75,825.00	30,69,283.00
Total Revenue		1,64,94,265.00	1,54,95,934.00
<u>EXPENDITURE</u>			
Purchase of Stock-in-Trade	2.20	66,008.00	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.21	(3,44,758.00)	2,87,000.00
Employee benefit expense	2.22	28,51,963.00	22,23,809.00
Financial costs	2.23	11,57,648.76	9,91,811.46
Depreciation and amortization expense	2.24	28,89,745.22	12,06,313.22
Other Expenses	2.25	10,67,226.65	12,20,048.46
Total Expenses		76,87,833.63	59,28,982.14
Profit before Exceptional Items and Tax		88,06,431.37	95,66,951.86
Exceptional Items	2.26	-	1,40,80,125.32
Profit before tax		88,06,431.37	2,36,47,077.18
Tax expense:	2.27		
1) Current tax		29,00,000.00	27,82,410.00
2) Deferred tax		74,752.00	(1,32,568.00)
3) Income tax for earlier year		3,16,102.00	80,428.00
Profit(Loss) for the period		55,15,577.37	2,09,16,807.18
Earning per equity share:	2.28		
1) Basic (Equity Share Face Value ₹ 10/- each)		0.72	2.71
2) Diluted (Equity Share Face Value ₹ 10/- each)		0.72	2.71
Significant Accounting Policies	1		
Notes on Financial Statements	2		

The notes referred to above form an integral part of the Financial Statement

As per attached report on even date

For **PATNI & CO.**

Firm Reg. No. 320304E

Chartered Accountants

CA. PAVEL PANDYA

(Partner)

Membership No.300667

Place : Kolkata

Date : May 30, 2017

For and On behalf of the board

S L Gupta

Director

(DIN: 00041007)

Md. Rafiullah

Chief Financial Officer

(PAN: BLWPR4409L)

Binod Kumar Kesan

Director

(DIN: 00038489)

Nayantara Agiwal

Company Secretary

(PAN: BDJPA6622B)

SHRADHA PROJECTS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India, wherever applicable.

The financial statement has been prepared under the historical cost convention using accrual method of accounting

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting standards generally accepted in India requires judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the disclosures relating to Contingent Assets and Contingent liabilities as on the date of the financial statements and the reported amount of Revenues and Expenses during reporting period. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from those estimates.

C. Fixed Assets

All Fixed Assets are stated at acquisition cost less accumulated depreciation.

D. Depreciation

Depreciation on Fixed Assets has been provided on written down value method except in case of office building of ₹ 47,14,582/- where depreciation has been provided on straight-line method. Depreciation is provided on based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Premium paid on Leasehold Land is amortized over a period of Lease.

E. Investments

Investments are long term in nature and are stated at cost of acquisition. In the opinion of the management, the decline in the market value of investment is temporary in nature; hence no provision for diminution in the value of investments has been made.

F. Inventories

Shares and Securities, Jewellery & Paper purchased for trading purpose are shown as Inventories under the head current assets and are valued at cost or market price/ break up value whichever is lower.

G. Revenue Recognition

Sales

Income from Sale of Shares/Paper Product is recognised on the date of transaction.

SHRADHA PROJECTS LIMITED

Interest Income

Interest on Loan is recognised on a time proportion basis taking into account the outstanding amount and the applicable rate.

H. Retirement Benefits

Gratuity is charged to Profit & Loss Account on the basis of contribution made to the Khaitan Group of Industries (Trust) maintained by LIC Of India.

I. Taxation

Provision of Current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rate as applicable. The deferred tax charge is recognized using the enacted tax rate. Deferred tax Assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Deferred tax asset/liabilities are reviewed as at Balance sheet date based on the developments during the year and reassess assets/liabilities in terms of Accounting Standard - 22 issued by ICAI.

J. Earning Per Share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 "Earnings per Share".

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

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

K. Provision, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the notes to financial statements.

SHRADHA PROJECTS LIMITED

2. Notes on Financial Statements for the Year ended 31st March, 2017

2.29 The Company has complied with the prudential norms as per NBFC's (Reserve Bank) Directions 1998 with regard to Income Recognition, Assets Classification, Accounting Standard and Provision for Bad & Doubtful Debts as applicable to it.

2.30 **Related Party Disclosure** :

Related party disclosures as required by AS-18 - 'Related Party Disclosure' are given below:

a) Key Management Personnel : Mr. S.K. Khaitan , Mr. S.L.Gupta, Mr. Rafiullah (CFO), and Mr. P. K. Das (Manager) , Miss Nayantara Agiwal (Company Secretary)

b) Detail of Transaction and Outstanding Balances :

(Amount in ₹ Lacs)

Name of the Party	Relationship	Nature of Transaction	Volume of Transaction		Outstanding as on	
			16-17	15-16	31.03.2017	31.03.2016
Khaitan Chemical & Fertilizer Ltd.	Associate	Loan Given	25.00	532.50	1065.90(Dr)	1208.50(Dr)
		Loan Repaid	195.00	10.77	--	--
		Rent Received	3.60	3.15	--	1.64 (Dr.)
		Interest Rec.	128.00	111.14	--	--
		Dividend Received	22.88	22.88	--	--
The Majestic Pack. Co. (P) Ltd. *	Associate	Loan Given	6.96	9.00	--	--
		Loan Repaid	6.96	15.28	--	--
		Interest Received	0.35	0.48	--	--
Tribhuvan Properties Ltd.	KMP having Significant Influence	Loan Received	3.00	95.00	--	60.00(Cr)
		Loan Repaid	63.00	35.00	--	--
		Interest Paid	1.41	--	--	--
Khaitan Paper & Packaging (P) Ltd.	Associate	Loan Given	266.25	166.00	--	--
		Loan Repaid	266.25	216.00	--	--
		Interest Recd	0.53	5.33	--	--
		Rent Paid	0.06	0.06	--	--
		Equity Shares Allotment Rec.	20.70	--	--	--
Arati Marketing (P) Ltd.	Associate	Loan Received	125.00	--	--	--
		Loan Repaid	125.00	--	--	--
		Interest Paid	.09	--	--	--
		Loan Given	--	151.65	--	--
		Loan Repaid	--	151.65	--	--
		Interest Received	--	2.13	--	--
		Purchase of Investment	1.74	--	--	--
Shradha Infra Realty (P) Ltd	Associate	Investment	-	45.53	--	--
Garia Properties Pvt Ltd.*	Associate	Loan Given	--	3.50	--	1.00(Dr)
		Loan Repaid	--	2.50	--	--
		Interest Recd	--	0.16	--	--
Garia Builders (P) Ltd.*	Associate	Loan Given	--	2.75	--	1.66(Dr)
		Loan Repaid	--	4.00	--	--
		Interest Recd	--	0.45	--	--
Accord Infra Properties (P) Limited	Associate	Investment	--	34.12	--	--
		Equity Shares Allotment Rec.	3.17	--	--	--

SHRADHA PROJECTS LIMITED

Lilac Properties (P) Limited	Associate	Investment Equity Shares Allotment Rec.	- 5.33	34.69 -	--	--
Arati Developers (P) Limited*	Associate	Loan Given Interest Received	-- --	0.50 0.05	--	0.55 (Dr)
Vibrattech Infra (P) Ltd.	Associate	Loan Given Loan Repaid Interest Recd Investment	2.00 3.10 0.21 --	-- -- 0.12 24.50	--	1.11(Dr)
Mr. Harsh Vardhan Agnihotri	KMP (Resigned wef 06.07.2015)	Remuneration	--	3.52	--	--
Mr. P. K. Das	KMP	Remuneration	2.58	0.80	--	--
Md. Rafiullah	CFO	Remuneration Salary Advance	1.94 0.50	1.85	0.35 (Dr)	--
Miss Nayantara Agiwal	Company Secretary	Remuneration	3.31	.80	--	--

2.31 Quantitative Information for the year ended 31st March 2017

Particulars	Units	2016-2017		2015-2016	
		Qty	Amount(₹)	Qty	Amount(₹)
<u>Opening Stock</u>					
Shares & Securities	Nos	4,60,776	2,26,82,840.00	7,20,776	3,84,97,840.00
Papers		102	33,750.00	902	1,05,750.00
Jewellery & Painting		--	3,00,14,300.36		3,00,14,300.36
<u>Purchases</u>					
Shares & Securities	Nos	148	66,008.00	--	--
Papers		--	--	--	--
Jewellery & Painting		--	--	--	--
<u>Sales/Transfer</u>					
Shares & Securities	Nos	+	--	2,60,000	1,56,00,000.00
Papers		102	30,250.00	800	77,000.00
Jewellery & Painting		--	--	--	--
<u>Closing Stock</u>					
Shares & Securities	Nos	4,60,924	2,30,61,348.00	4,60,776	2,26,82,840.00
Papers		--	--	102	33,750.00
Jewellery & Painting		--	3,00,14,300.36	--	3,00,14,300.36

SHRADHA PROJECTS LIMITED

2.32 Information about Primary Business Segment:

(₹ in Lacs)

Particulars	2016-2017				2015-2016			
	Shares	Loan	Paper	Total	Shares	Loan	Paper	Total
A: REVENUE								
Total Revenue	--	131.88	0.30	132.18	--	123.50	0.77	124.27
B: RESULT								
Segment Result	3.12	120.30	(0.03)	123.39	(2.92)	113.59	0.05	110.72
Less: Unallocated Corporate Expenses net of unallocated income.				35.33				(125.75)
Operating Profit				88.06				236.47
Less: Tax Expenses				32.91				27.30
Net Profit				55.16				209.17
C: OTHER INFORMATION								
Segment Assets	3263.18	1100.56	--	4363.74	3228.45	1039.00	0.34	4267.79
Unallocated Corporate Assets				946.78				831.36
Total Assets				5310.52				5099.15
Segment Liabilities	--	193.98	--	193.98	--	187.57	--	187.57
Unallocated Corporate Liabilities				151.46				1.66
Total Liabilities				345.44				189.23
Depreciation	--	--		28.09	--	--		12.06
Non-cash Expenses other than depreciation				--				--

2.33 Management has determined that there were no balances outstanding as at the beginning of the year and no transactions entered with Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year, based on the information available with the Company as at March 31, 2017.

2.34 Details of Contingent Liability :

- i) The Company has mortgaged its Fixed Assets viz Apartment No.206, 2ND Floor, Appollo Arcade, 1 / 2 Old Palasia -Indore and Flat No. 402 situated at Twin Tower, 5 / 2 Old Palasia, Indore with IDBI Bank as a security on the Term Loan taken by M/s Khaitan Chemical & Fertilizers Limited of ₹ 10 Crores.
- ii) The Company has given Corporate Guarantee towards a Loan of ₹ 2521 Lacs raised by B.D.Memorial Institute from Allahabad Bank.

SHRADHA PROJECTS LIMITED

iii) The Company has given Guarantee towards a Loan of ₹ 3051 Lacs raised by Gopal Chakraborty Charitable Trust from Allahabad Bank.

iv) The Company has given Corporate Guarantee towards a Loan of ₹ 3000 Lacs raised by Khaitan Chemicals & Fertilizers Limited from State Bank Of India, Commercial Branch, Indore.

2.35 The Company has received Order Under Section 143(3) of the Income Tax Act, 1961 for the financial year 2013-2014 (Asst Year 2014-2015) in which certain additions were made by the income tax department while computing the tax liability of the company and accordingly demand of ₹ 4.87 Lacs has been raised by the Authority. But an appeal has been preferred by the Company with CIT(Appeals) for defending the case and management is hoping that the case will be decided in the favour of the company, so no provision has been made in regard to demand raised by the Income Tax Department.

2.36 **Disclosure in accordance with MCA Notification dated 30th March' 2017:**

Particulars	SBN's	Other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	1,00,000.00	46,676.26	1,46,676.26
Add: Withdrawal from Bank Accounts	-	1,50,000.00	1,50,000.00
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	53,440.00	53,440.00
Less: Amount deposited in Banks	1,00,000.00	-	1,00,000.00
Closing Cash in hand as on 30.12.2016	-	1,43,236.26	1,43,236.26

2.37 Schedule in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed hereto separately.

2.38 Previous Year figures have been regrouped and/or rearranged wherever considered necessary.

As per our report of even date.

For PATNI & CO.

Firm Reg.No 320304E

CHARTERED ACCOUNTANTS

On behalf of the Board

CA. PAVEL PANDYA

(Partner)

M.No - 300667

Place: Kolkata

Date: May 30, 2017

S L Gupta

Director

(DIN: 00041007)

Md. Rafiullah

Chief Financial Officer

(PAN: BLWPR4409L)

Binod Kumar Kesan

Director

(DIN: 00038489)

Nayantara Agiwal

Company Secretary

(PAN: BDJPA6622B)

Independent Auditor's Report

To
The Members of
SHRADHA PROJECTS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **SHRADHA PROJECTS LIMITED** (hereinafter referred to as "the Company") and its associates comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Consolidated 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

and

(b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date.

and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- a) The Consolidated Financial Statement includes the Groups share of Profit of ₹ 19,541 for the financial year ended 31st March 2017, as considered in the consolidated financial statements, in respect of respect of 13 associates, out of which 12 financial statements have not been audited by us. The aforesaid financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associates, is based solely on the reports of the other auditors.
- b) As stated in Note No. 2.38 of the consolidated financial statement regarding non availability of the financial statement of 1 Associate for the financial year 2016-2017 due to which the Profit/(Loss) of those associates have not been consolidated.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

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

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b. in our opinion proper books of accounts, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;

- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of the consolidated financial statements;
- d. in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Company as on 31st March, 2017 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Company and its associate company incorporated in India 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 A" which is based on the auditors report of the Company and its associate companies incorporated in India.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i The Company has disclosed the impact of pending litigations on its financial position in its financial statement – Note No. 2.35 to the Financial Statements.
 - ii The Company does 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 the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealing in Specified Bank Notes (SBN's) during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.37 to the notes to the financial statements.

Place:-1, India Exchange Place,
Kolkata- 700 001

For PATNI & CO.
Chartered Accountants

Dated: The 30th Day of May, 2017

CA. PAVEL PANDYA
(Partner)
Membership. No. 300667
Firm Reg No. 320304E

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements SHRADHA PROJECTS 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 **SHRADHA PROJECTS LIMITED** and its associates as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 13 associate company which are incorporated in India, is based on the corresponding standalone report of the auditors, as applicable, of such companies incorporated in India.

Place:-1, India Exchange Place,
Kolkata- 700 001

For PATNI & CO.
Chartered Accountants

Dated: The 30th Day of May, 2017

CA. PAVEL PANDYA
(Partner)
Membership. No. 300667
Firm Reg No. 320304E

SHRADHA PROJECTS LIMITED
Consolidated Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholder's Funds</u>			
Share Capital	2.1	7,71,24,140.00	7,71,24,140.00
Reserves and Surplus	2.2	57,21,29,150.97	55,37,02,392.15
<u>Non-Current Liabilities</u>			
Long Term Borrowings	2.3	1,37,48,783.00	15,78,803.00
Long Term Provisions	2.4	1,12,358.00	1,12,358.00
<u>Current Liabilities</u>			
Short-Term Borrowings	2.5	2,20,426.64	1,55,00,000.00
Other Current Liabilities	2.6	2,01,58,877.85	14,29,139.00
Short- Term Provisions	2.7	3,03,974.00	3,03,203.00
Total		68,37,97,710.46	64,97,50,035.15
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
<u>Fixed Assets</u>			
Tangible Assets	2.8	1,94,79,049.76	38,70,905.98
Non- Current Investments	2.9	45,60,02,107.01	43,99,96,916.45
Deferred Tax Asset	2.10	4,12,820.00	4,87,572.00
Long Term Loans And Advances	2.11	1,91,90,389.50	1,87,03,780.50
Other Non-Current Assets	2.12	20,58,570.88	96,547.49
<u>Current Assets</u>			
Inventories	2.13	5,30,75,648.36	5,27,30,890.36
Trade Receivables	2.14	5,83,537.00	1,64,280.00
Cash And Bank Balances	2.15	36,86,835.42	62,34,315.79
Short-Term Loans And Advances	2.16	12,80,25,790.41	12,72,66,208.61
Other Current Assets	2.17	12,82,962.12	1,98,617.97
Total		68,37,97,710.46	64,97,50,035.15
Significant Accounting Policies	1		
Notes on Financial Statements	2	-	-

Notes referred to above form an integral part of consolidated financial statement

As per attached report on even date

For **PATNI & CO.**

Firm Reg. No. 320304E

Chartered Accountants

CA. PAVEL PANDYA

(Partner)

Membership No.300667

Place : Kolkata

Date : May 30, 2017

For and On behalf of the board

S L Gupta

Director

(DIN: 00041007)

Md. Rafiullah

Chief Financial Officer

(PAN: BLWPR4409L)

Binod Kumar Kesan

Director

(DIN: 00038489)

Nayantara Agiwal

Company Secretary

(PAN: BDJPA6622B)

SHRADHA PROJECTS LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No	2016-17	2015-16
INCOME			
Revenue from operations	2.18	1,32,18,440.00	1,24,26,651.00
Other Income	2.19	32,75,825.00	30,69,283.00
Total Revenue		1,64,94,265.00	1,54,95,934.00
EXPENDITURE			
Purchase of Stock-in-Trade	2.20	66,008.00	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.21	(3,44,758.00)	2,87,000.00
Employee benefit expense	2.22	28,51,963.00	22,23,809.00
Financial costs	2.23	11,57,648.76	9,91,811.46
Depreciation and amortization expense	2.24	28,89,745.22	12,06,313.22
Other Expenses	2.25	10,67,226.65	12,20,048.46
Total Expenses		76,87,833.63	59,28,982.14
Profit before Exceptional Items and Tax		88,06,431.37	95,66,951.86
Exceptional Items	2.26	-	1,40,80,125.32
Profit before tax		88,06,431.37	2,36,47,077.18
Tax expense:	2.27		
1) Current tax		29,00,000.00	27,82,410.00
2) Deferred tax		74,752.00	(1,32,568.00)
3) Income tax for earlier year		3,16,102.00	80,428.00
Profit(Loss) for the year		55,15,577.37	2,09,16,807.18
Add: Share of Profit / (Loss) in Associates		19,541.45	1,05,39,069.06
Profit(Loss) for the period		55,35,118.82	3,14,55,876.24
Earning per equity share:	2.28		
1) Basic (Equity Share Face Value ₹ 10/- each)		0.72	4.08
2) Diluted (Equity Share Face Value ₹ 10/- each)		0.72	4.08
Significant Accounting Policies	1		
Notes on Financial Statements	2		

Notes referred to above form an integral part of consolidated financial statement

As per attached report on even date

For **PATNI & CO.**

Firm Reg. No. 320304E
Chartered Accountants

CA. PAVEL PANDYA
(Partner)
Membership No.300667

Place : Kolkata
Date : May 30, 2017

For and On behalf of the board

S L Gupta
Director
(DIN: 00041007)

Md. Rafiullah
Chief Financial Officer
(PAN: BLWPR4409L)

Binod Kumar Kesan
Director
(DIN: 00038489)

Nayantara Agiwal
Company Secretary
(PAN: BDJPA6622B)

SHRADHA PROJECTS LIMITED

1. SUMMARY OF CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The consolidated financial statements have been prepared in accordance with the Accounting Standard (AS) - 23 on "Accounting for Investments in Associates in Consolidated Financial Statements".
- 1.2 The consolidated financial statements relates to The Holding Company and its associates. The details are as given below:-

Name of Associates	Country Of Incorporation	Proportion of Ownership Interest
ARATI MARKETING PRIVATE LIMITED	INDIA	20.06%
B O CONSTRUCTION PRIVATE LIMITED	INDIA	22.45%
INDUS VALLEY WORLD SCHOOL PRIVATE LIMITED	INDIA	40.54%
KHAITAN COMMERCIAL SERVICES PRIVATE LIMITED	INDIA	48.94%
KHAITAN PAPER & PACKAGING PRIVATE LIMITED	INDIA	20.74%
LILAC PROPERTIES PRIVATE LIMITED	INDIA	44.42%
MANOJ FINCOM PRIVATE LIMITED	INDIA	36.61%
SHRADHA INFRA REALTY PRIVATE LIMITED	INDIA	40.72%
SHRADHA TECHNOPACK PRIVATE LIMITED	INDIA	38.95%
THE MAJESTIC PACKAGING PRIVATE LIMITED	INDIA	47.73%
VIBRA TECH INFRA PRIVATE LIMITED	INDIA	42.97%
ACCORD INFRA PRIVATE LIMITED	INDIA	47.19%
KHAITAN CHEMICALS & FERTILIZERS LIMITED	INDIA	47.19%

1.3 Consolidation Process

Investment in Associates are accounted in accordance with AS-23 on "Accounting for Investments in Associates in Consolidated Financial Statements", under equity method. The difference between cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

1.4 Other Significant Accounting Policies

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India, wherever applicable.

The financial statement has been prepared under the historical cost convention using accrual method of accounting

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting standards generally accepted in India requires judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the

SHRADHA PROJECTS LIMITED

disclosures relating to Contingent Assets and Contingent liabilities as on the date of the financial statements and the reported amount of Revenues and Expenses during reporting period. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from those estimates.

C. Fixed Assets

All Fixed Assets are stated at acquisition cost less accumulated depreciation.

D. Depreciation

Depreciation on Fixed Assets has been provided on written down value method except in case of office building of ₹ 47,14,582/- where depreciation has been provided on straight-line method. Depreciation is provided on based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Premium paid on Leasehold Land is amortized over a period of Lease.

E. Investments

Investments are long term in nature and are stated at cost of acquisition. In the opinion of the management, the decline in the market value of investment is temporary in nature; hence no provision for diminution in the value of investments has been made.

F. Inventories

Shares and Securities/ Jewellery & Paper purchased for trading purpose are shown as Inventories under the head current assets and are valued at cost or market price/ break up value whichever is lower.

G. Revenue Recognition

Sales

Income from Sale of Shares/Paper Product is recognised on the date of transaction.

Interest Income

Interest on Loan is recognised on a time proportion basis taking into account the outstanding amount and the applicable rate.

H. Retirement Benefits

Gratuity is charged to Profit & Loss Account on the basis of contribution made to the Khaitan Group of Industries (Trust) maintained by LIC Of India.

I. Taxation

Provision of Current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rate as applicable. The deferred tax charge is recognized using the enacted tax rate. Deferred tax Assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

SHRADHA PROJECTS LIMITED

Deferred tax asset/liabilities are reviewed as at Balance sheet date based on the developments during the year and reassess assets/liabilities in terms of Accounting Standard - 22 issued by ICAI.

J. Earning Per Share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 "Earnings per Share".

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

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

K. Provision, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the notes to financial statements.

SHRADHA PROJECTS LIMITED

2. Notes on Consolidated Financial Statements for the Year ended 31st March, 2017

2.29 The Company has complied with the prudential norms as per NBFC's (Reserve Bank) Directions 1998 with regard to Income Recognition, Assets Classification, Accounting Standard and Provision for Bad & Doubtful Debts as applicable to it.

2.30 **Related Party Disclosure** :

Related party disclosures as required by AS-18 - 'Related Party Disclosure' are given below:

a) Key Management Personnel : Mr. S.K. Khaitan , Mr. S.L.Gupta, Mr. Rafiullah (CFO), and Mr. P. K. Das (Manager) , Miss Nayantara Agiwal (Company Secretary)

b) Detail of Transaction and Outstanding Balances :

(Amount in ₹ Lacs)

Name of the Party	Relationship	Nature of Transaction	Volume of Transaction		Outstanding as on	
			16-17	15-16	31.03.2017	31.03.2016
Khaitan Chemical & Fertilizer Ltd.	Associate	Loan Given	25.00	532.50	1065.90(Dr)	1208.50(Dr)
		Loan Repaid	195.00	10.77	--	--
		Rent Received	3.60	3.15	--	1.64 (Dr.)
		Interest Rec.	128.00	111.14	--	--
		Dividend Received	22.88	22.88	--	--
The Majestic Pack. Co. (P) Ltd. *	Associate	Loan Given	6.96	9.00	--	--
		Loan Repaid	6.96	15.28	--	--
		Interest Received	0.35	0.48	--	--
Tribhuvan Properties Ltd.	KMP having Significant Influence	Loan Received	3.00	95.00	--	60.00(Cr)
		Loan Repaid	63.00	35.00	--	--
		Interest Paid	1.41	--	--	--
Khaitan Paper & Packaging (P) Ltd.	Associate	Loan Given	266.25	166.00	--	--
		Loan Repaid	266.25	216.00	--	--
		Interest Recd	0.53	5.33	--	--
		Rent Paid	0.06	0.06	--	--
		Equity Shares Allotment Rec.	20.70	--	--	--
Arati Marketing (P) Ltd.	Associate	Loan Received	125.00	--	--	--
		Loan Repaid	125.00	--	--	--
		Interest Paid	.09	--	--	--
		Loan Given	--	151.65	--	--
		Loan Repaid	--	151.65	--	--
		Interest Received	--	2.13	--	--
		Purchase of Investment	1.74	--	--	--
Shradha Infra Realty (P) Ltd	Associate	Investment	-	45.53	--	--
Garia Properties Pvt Ltd.*	Associate	Loan Given	--	3.50	--	1.00(Dr)
		Loan Repaid	--	2.50	--	--
		Interest Recd	--	0.16	--	--
Garia Builders (P) Ltd.*	Associate	Loan Given	--	2.75	--	1.66(Dr)
		Loan Repaid	--	4.00	--	--
		Interest Recd	--	0.45	--	--
Accord Infra Properties (P) Limited	Associate	Investment	--	34.12	--	--
		Equity Shares Allotment Rec.	3.17	--	--	--

SHRADHA PROJECTS LIMITED

Lilac Properties (P) Limited	Associate	Investment Equity Shares Allotment Rec.	- 5.33	34.69 -	--	--
Arati Developers (P) Limited*	Associate	Loan Given Interest Received	-- --	0.50 0.05	--	0.55 (Dr)
Vibrattech Infra (P) Ltd.	Associate	Loan Given Loan Repaid Interest Recd Investment	2.00 3.10 0.21 --	-- -- 0.12 24.50	--	1.11(Dr)
Mr. Harsh Vardhan Agnihotri	KMP (Resigned wef 06.07.2015)	Remuneration	--	3.52	--	--
Mr. P. K. Das	KMP	Remuneration	2.58	0.80	--	--
Md. Rafiullah	CFO	Remuneration Salary Advance	1.94 0.50	1.85	0.35 (Dr)	--
Miss Nayantara Agiwal	Company Secretary	Remuneration	3.31	.80	--	--

2.31 Quantitative Information for the year ended 31st March 2017

Particulars	Units	2016-2017		2015-2016	
		Qty	Amount(₹)	Qty	Amount(₹)
<u>Opening Stock</u>					
Shares & Securities	Nos	4,60,776	2,26,82,840.00	7,20,776	3,84,97,840.00
Papers		102	33,750.00	902	1,05,750.00
Jewellery & Painting		--	3,00,14,300.36		3,00,14,300.36
<u>Purchases</u>					
Shares & Securities	Nos	148	66,008.00	--	--
Papers		--	--	--	--
Jewellery & Painting		--	--	--	--
<u>Sales/Transfer</u>					
Shares & Securities	Nos	+	--	2,60,000	1,56,00,000.00
Papers		102	30,250.00	800	77,000.00
Jewellery & Painting		--	--	--	--
<u>Closing Stock</u>					
Shares & Securities	Nos	4,60,924	2,30,61,348.00	4,60,776	2,26,82,840.00
Papers		--	--	102	33,750.00
Jewellery & Painting		--	3,00,14,300.36	--	3,00,14,300.36

2.32 Information about Primary Business Segment:

(₹ in Lacs)

SHRADHA PROJECTS LIMITED

Particulars	2016-2017				2015-2016			
	Shares	Loan	Paper	Total	Shares	Loan	Paper	Total
A: REVENUE								
Total Revenue	--	131.88	0.30	132.18	--	123.50	0.77	124.27
B: RESULT								
Segment Result	3.12	120.30	(0.03)	123.39	(2.92)	113.59	0.05	110.72
Less: Unallocated Corporate Expenses net of unallocated income.				35.33				(125.75)
Operating Profit				88.06				236.47
Less: Tax Expenses				32.91				27.30
Add: Associate Profit				0.19				105.39
Net Profit				55.35				314.56
C: OTHER INFORMATION								
Segment Assets	4790.64	1100.56	--	5891.20	4626.80	1039.00	0.34	5666.14
Unallocated Corporate Assets				946.78				831.36
Total Assets				6837.98				6497.50
Segment Liabilities	--	193.98	--	193.98	--	187.57	--	187.57
Unallocated Corporate Liabilities				151.46				1.66
Total Liabilities				345.44				189.23
Depreciation	--	--		28.09	--	--		12.06
Non-cash Expenses other than depreciation				--				--

2.33 Management has determined that there were no balances outstanding as at the beginning of the year and no transactions entered with Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year, based on the information available with the Company as at March 31, 2017.

2.34 **Details of Contingent Liability :**

- i) The Company has mortgaged its Fixed Assets viz Apartment No.206, 2ND Floor, Appollo Arcade, 1 / 2 Old Palasia -Indore and Flat No. 402 situated at Twin Tower, 5 / 2 Old Palasia, Indore with IDBI Bank as a security on the Term Loan taken by M/s Khaitan Chemical & Fertilizers Limited of ₹ 10 Crores.
- ii) The Company has given Corporate Guarantee towards a Loan of ₹ 2521 Lacs raised by B.D.Memorial Institute from Allahabad Bank.

SHRADHA PROJECTS LIMITED

- iii) The Company has given Guarantee towards a Loan of ₹ 3051 Lacs raised by Gopal Chakraborty Charitable Trust from Allahabad Bank.
- iv) The Company has given Corporate Guarantee towards a Loan of ₹ 3000 Lacs raised by Khaitan Chemicals & Fertilizers Limited from State Bank Of India, Commercial Branch, Indore.
- 2.35 The Company has received Order Under Section 143(3) of the Income Tax Act, 1961 for the financial year 2013-2014 (Asst Year 2014-2015) in which certain additions were made by the income tax department while computing the tax liability of the company and accordingly demand of ₹ 4.87 Lacs has been raised by the Authority. But an appeal has been preferred by the Company with CIT(Appeals) for defending the case and management is hoping that the case will be decided in the favour of the company, so no provision has been made in regard to demand raised by the Income Tax Department.
- 2.36 Schedule in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed hereto separately.

2.37 **Disclosure in accordance with MCA Notification dated 30th March' 2017:**

Particulars	SBN's	Other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	1,00,000.00	46,676.26	1,46,676.26
Add: Withdrawal from Bank Accounts	-	1,50,000.00	1,50,000.00
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	53,440.00	53,440.00
Less: Amount deposited in Banks	1,00,000.00	-	1,00,000.00
Closing Cash in hand as on 30.12.2016	-	1,43,236.26	1,43,236.26

- 2.38 The Company has investment in Khaitan Chemical & Fertilizers Limited. As the Audited Financial Statement for the associate for the Financial Year 2016-17 was not available with the Company Profit/(Loss) of the said associate have not been taken into the consolidation.
- 2.39 Previous Year figures have been regrouped and/or rearranged wherever considered necessary.

As per our report of even date.

CA. PAVEL PANDYA

(Partner)

M.No - 300667

Place: Kolkata

Date: May 30, 2017

S L Gupta

Director

(DIN: 00041007)

Md. Rafiullah

Chief Financial Officer

(PAN: BLWPR4409L)

Binod Kumar Kesan

Director

(DIN: 00038489)

Nayantara Agiwal

Company Secretary

(PAN: BDJPA6622B)