

SUNFLOWER REAL ESTATE DEVELOPERS PRIVATE LIMITED

ANNUAL REPORT 2015-16



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNFLOWER REAL ESTATE DEVELOPERS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SUNFLOWER REAL ESTATE DEVELOPERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has no pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company..

For CHANDRASHEKHAR IYER & Co
Chartered Accountants
Firm Registration No. 114260W

CHANDRASHEKHAR IYER
Proprietor
Membership No.47723



Thane

Date : 9 MAY 2016

**ANNEXURE -A TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUNFLOWER REAL ESTATE DEVELOPERS PRIVATE LIMITED**

**(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements"
section of our report of even date for the year ended 31 March, 2016)**

- i. The Company has no fixed assets and accordingly, sub clause (a),(b) and (c) of clause (i) of paragraph 3 of the said order are not applicable.
- ii. The Company is engaged mainly in the construction business. Majority of the stock of the company are in form of developments/work in progress and building materials. The stock in the said form and stock of other materials have been regularly verified by the management during the year and no material discrepancies were noticed.
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a) ,(b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.
- iv. According to the information and explanations given to us , the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company.
- vii. a. The Company is regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of service tax , customs duty, excise duty were outstanding, as at March 31, 2016 for a period of more than six months from the date they became payable except the following:



Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Due Date	Remarks
Income Tax Act , 1961	Advance Tax	485000/-	FY 15-16	On or before 15 th of the month from the end of the quarter	
Income Tax Act , 1961	TDS on interest	4323899/-	FY 15-16	7 th of every following month	

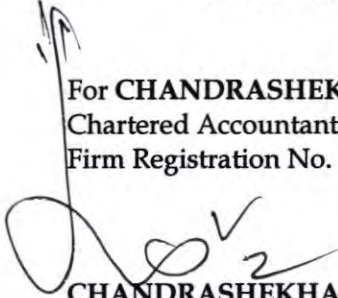
b. According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax , income tax, customs duty and excise duty which have not been paid deposited on account of any dispute.

- viii. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer(including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of therecords of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.



- xiii. According to the information and explanations given to us and 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.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For CHANDRASHEKHAR IYER & Co
Chartered Accountants
Firm Registration No. 114260W


CHANDRASHEKHAR IYER
Proprietor
Membership No.47723



Thane

Date : 9 MAY 2016

Annexure - B to the Auditors' Report
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 Sunflower Real Estate Developers Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CHANDRASHEKHAR IYER & Co

Chartered Accountants
Firm Registration No. 114260W



CHANDRASHEKHAR IYER
Proprietor
Membership No.47723

Thane

Date : 9 MAY 2016

SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED

Balance Sheet as at March 31, 2016

U45200PN2007PTC129495

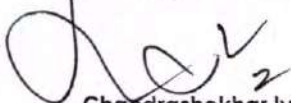
Currency Indian Rupees

Particulars	Note	March 31, 2016	March 31, 2015
CAPITAL AND LIABILITIES			
Shareholders' Fund			
(a) Share Capital	3	10,000,000	10,000,000
(b) Reserves and Surplus	4	(75,805,820)	(79,242,952)
		(65,805,820)	(69,242,952)
Non-Current Liabilities			
(a) Long-term borrowings	5	292,768,000	257,243,107
(b) Other Long term liabilities	6	57,780,000	59,780,000
		350,548,000	317,023,107
Current Liabilities			
(a) Trade payable	7		
(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises		55,085,802	46,738,175
(b) Other current liabilities	8	186,887,947	89,100,275
(c) Short-term provisions	9	484,467	-
		242,458,216	135,838,450
		527,200,396	383,618,605
Assets			
Non-current assets			
(a) Non-current investments	10	-	35,000
(b) Long term loans and advances	11	509,467	25,655,000
		509,467	25,690,000
Current assets			
(a) Inventories	12	275,649,595	317,500,929
(b) Trade receivables	13	166,691,757	34,786,819
(c) Cash And Bank Balances	14	3,793,796	2,750,222
(d) Other Current Assets	15	80,555,781	2,890,635
		526,690,929	357,928,605
		527,200,396	383,618,605
Summary of Significant Accounting Policies	2		
Notes to the financial statements	3 - 29		

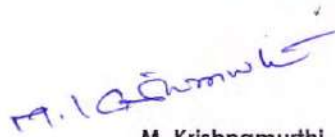
The notes referred to above form an integral part of these financial statements.

As per our report of even date
For Chandrashekhar Iyer & Co.
 Chartered Accountants
 Firm Registration No. 114260W

For and on behalf of Board of Directors


 Chandrashekhar Iyer
 Proprietor
 Membership No. 047723
 Pune, Dated: **9 MAY 2016**




 M. Krishnamurthi
 Director
 DIN : 00037763
 Pune, Dated:


 D. Santhanam
 Director
 DIN : 00226569

SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
Statement of Profit and Loss for the year ended March 31,2016
U45200PN2007PTC129495

Currency Indian Rupees

Particulars	Note	March 31,2016	March 31, 2015
Revenue from operations	16	248,232,209	115,995,420
Total Revenue		248,232,209	115,995,420
Construction expenses	17	178,556,649	31,449,382
Changes In Inventories of Developments	18	42,657,835	97,911,947
Financial costs	19	118,842	69,732
Other expenses	20	23,461,751	14,283,792
Total Expenses		244,795,077	143,714,853
Profit/(Loss) before tax		3,437,132	(27,719,433)
Tax expense:			
Current tax		484,467	-
Deferred tax			-
Less: MAT Credit entitlement		(484,467)	-
Excess/Short Provision for Tax of Earlier Period			
Profit(Loss) from the period from continuing operations		3,437,132	
Profit/(Loss) for the period		3,437,132	(27,719,433)
Earning per equity share:(Nominal value Rs. 10/- each)			
(1) Basic	21	3.44	(27.72)
(2) Diluted		3.44	(27.72)
Summary of Significant Accounting Policies	2		
Notes to the financial statements	3 - 29		

The notes referred to above form an integral part of these financial statements.

As per our report of even date
For Chandrashekhar Iyer & Co.
Chartered Accountants
Firm Registration No. 114260W



For and on behalf of Board of Directors

Chandrashekhar Iyer
Proprietor
Membership No. 047723
Pune, Dated: **E. 9 MAY 2016**

M. Krishnamurthi

M. Krishnamurthi
Director
DIN : 00037763
Pune, Dated:

D. Santhanam

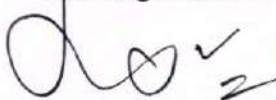
D. Santhanam
Director
DIN : 00226569

SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
Cash Flow for the period ended March 31, 2016
U45200PN2007PTC129495

Particulars	Currency Indian Rupees	
	March 31,2016	March 31,2015
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit /(Loss) Before Taxation and prior period adjustments.	3,437,132	(27,719,433)
Adjustments		
Add/(Less):-		
Prior Period (Expenses)/Income	-	-
Depreciation	-	-
Add :Interest paid	118,842	69,732
Operating Profit before working capital changes	3,555,974	(27,649,701)
Income Tax paid during the period	-	-
Changes in Working Capital		
Decrease / (Increase) in Inventories	41,851,334	95,986,758
Decrease / (Increase) in Trade Receivables	(131,904,937)	(34,786,818)
Decrease / (Increase) in Other Current Assets	(77,665,146)	(2,890,635)
Decrease / (Increase) in Loans and advances	25,145,533	(25,548,773)
Increase / (Decrease) in Current Liabilities and Provisions.	106,619,766	(1,693,448)
Net Cash Generated from Operating Activities.	(32,397,476)	3,417,383
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets.	-	-
Long Term Investments in Shares.	-	-
Current Investments in Debt fund	-	-
Interest Paid	(118,842)	(69,732)
Sale of non current Investment	35,000	-
NET CASH Generated/ (USED) IN INVESTING ACTIVITIES	(83,842)	(69,732)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Loans Taken during the year	33,524,893	(2,450,915)
Net Cash Generated/ (Used) in Financing Activities.	33,524,893	(2,450,915)
NET CASH INFLOW (OUTFLOW) (A+B+C)	1,043,574	896,736
Add:		
Cash and Cash Equivalents at the Beginning of the Year		
a) Balances with banks in current accounts	1,740,315	852,157
b) Cash on hand	1,009,907	1,001,329
c) Balances with banks in deposit accounts	-	-
Sub-total	2,750,222	1,853,486
Cash and Cash Equivalents at the end of the Year		
a) Balances with banks in current accounts	1,412,391	1,740,315
b) Cash on hand	2,381,405	1,009,907
c) Balances with banks in deposit accounts	-	-
Sub-total	3,793,796	2,750,222

As per our report of even date
For Chandrashekhar Iyer & Co.
Chartered Accountants
Firm Registration No. 114260W

For and on behalf of Board of Directors



Chandrashekhar Iyer
Proprietor

Membership No. 047723

Pune, Dated: 9 MAY 2016





M. Krishnamurthi
Director

DIN : 00037763

Pune, Dated:



D. Santhanam
Director

DIN : 00226569

SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
(FORMERLY KNOWN AS SUNFLOWER HEALTH SERVICES PRIVATE LIMITED)
Notes to the financial statements for the year ended March 31,2016

1. The Company overview

Sunflower Real Estate Developers Private Limited (Formerly Known as Sunflower Health Services Private Limited) (Company) was incorporated on January 18, 2007 having CIN U45200PN2007PTC129495. During the year, the Company has diversified into real estate development.

2. Summary of significant accounting policies

2.1 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory Accounting Standards, Statements and Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956 and rules framed thereunder, on accrual basis, as adopted consistently by the Company.

2.2 Use of Estimates

The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory Accounting Standards, Statements and Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956 and rules framed thereunder, on accrual basis, as adopted consistently by the Company.

2.3 Recognition of Revenue / Cost

Real estate development

Revenue from sales of units / TDR is recognized as and when the underlying significant risk and rewards of ownership are transferred to the purchaser.

(ii) Units Under Development

Revenue from sales of such units is recognized as and when the underlying significant risk and rewards of ownership are transferred to the purchaser, taking into account materiality of the work performed and certainty of recoverability of the consideration. Revenue is recognized on proportionate basis as the acts are progressively performed, by applying the percentage of completion method as explained in AS-7 (Revised) Construction Contracts in compliance with the authoritative professional view.

The percentage completion is determined based on actual costs incurred thereon by the Company to total estimated cost with reference to the saleable area. Cost for this purpose includes cost of land/development rights, construction and development costs of such properties borrowing costs and overheads, as may be applicable.

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period in which such changes occur.

However, when the total project cost is estimated to exceed total revenues from the project, loss is recognized immediately.

Development Work

(i) Development - Completed Units

Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realisable value.



**SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
(FORMERLY KNOWN AS SUNFLOWER HEALTH SERVICES PRIVATE LIMITED)**

(ii) Development - Units under construction

The unit under construction to the extent not recognised as sales under the revenue recognition policy adopted by the Company is carried at lower of cost or net realisable value on the basis of technical estimate certified by the Managing Director / Technical Experts.

Stock of materials, etc. has been valued at lower of cost or net realisable value. The cost is determined on Weighted Average method.

2.5 Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying assets, if any, are capitalized up to the date when such assets are ready for sale or its intended use and other borrowing costs are charged to the Statement of Profit & Loss. Advances/deposits given to the vendors under the contractual arrangement for acquisition/construction of qualifying assets is considered as cost for the purpose of capitalization of borrowing cost. During the period of suspension of work on project, the capitalization of borrowing cost is also suspended.

2.6 Contingent Liabilities and Assets

- a) Contingent liabilities, if any, have been disclosed by way of note to balance sheet. Provision has been made in respect of those, which have materialised after the year-end but before finalisation of accounts and have material effect on balance sheet date.
- b) Contingent assets as on the balance sheet, if any, are neither recognised nor disclosed in the financial statements.

2.7 Taxes on Income

- a) Taxes on Income are accounted in accordance with AS – 22 " Taxes on Income". Taxes on Income comprise both current tax and deferred tax.
- b) Provision for current tax for the year is determined considering the disallowance, exemptions and deductions and/or liabilities / credits and set off available as laid down by the tax law and interpreted by various authorities.
- c) Deferred tax is the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). This is measured using a substantively enacted tax rate and tax regulation.
- d) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay income tax under the normal provisions during the specified period, resulting in utilization of MAT credit. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will utilize MAT credit during the specified period.

2.8 Foreign currency transaction

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



**SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
(FORMERLY KNOWN AS SUNFLOWER HEALTH SERVICES PRIVATE LIMITED)**

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Difference

All exchange differences arising on settlement and conversion on foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets from outside India, in which case they are adjusted in the cost of the corresponding assets.

2. 9 Earning Per Share

The company reports Basic and Diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 "Earning Per Share" issued by the ICAI. Basic earnings per share are computed by dividing the net profit or loss after tax for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per shares outstanding during the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the result are anti - dilutive.

2. 10 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2. 11 Exceptional items

Exceptional items include significant restructuring costs, reversals of provisions no longer required, profits or losses on disposal or termination of operations, litigation settlements, profit or loss on disposal of investments, significant impairment of assets and unforeseen gains/ losses arising on derivative instruments. The Company in assessing the particular items, which by virtue of their scale and nature are disclosed in the income statement and related notes as exceptional items.

2. 12 Events occurring after Balance Sheet date

Events which occur between the Balance Sheet date and the date on which financial statements are approved, need adjustments to assets and liabilities as at the Balance Sheet date. Adjustments to assets and liabilities are made for the events occurring after the Balance Sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing as at the Balance Sheet date.

2. 13 Ammortisation

Intangible assets which do not meet with the crieteries given in AS 26. Intangible assets are charge to statement of Profit & Loss in the year in which expenses have been incurred.



SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
Notes to Financial statements for the year ended March 31,2016

Currency Indian Rupees

Particulars	March 31,2016	March 31, 2015
NOTE NO. 3		
Authorised capital		
10,00,000 (10,00,000) equity shares of Rs. 10/- each	1,00,00,000	1,00,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued, subscribed and paid up		
10,00,000 (10,00,000) equity shares of Rs. 10/- each fully paid	1,00,00,000	1,00,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- . Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Following are the details of the share capital

Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Description	No of shares	No of shares
No of shares outstanding at the beginning of the year	10,00,000	10,00,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
No of shares outstanding at the end of the year	<u>10,00,000</u>	<u>10,00,000</u>

Shares held by holding company

Vascon Engineers Ltd.	9,90,000	9,90,000
-----------------------	----------	----------

Shareholders holding more than 5 percent shares in the Company

Name of the shareholder	No of shares	Percentage	No of shares	Percentage
Vascon Engineers Ltd.	9,90,000	99	9,90,000	99

NOTE NO. 4

Reserves and Surplus

Surplus/(Deficit) in the Statement of Profit and Loss

At the commencement of the year	(7,92,42,952)	(5,15,23,519)
Add/(Less): Profit/(Loss) transferred for the year	34,37,132	(2,77,19,433)
Net Surplus/(Deficit) in the Statement of Profit and Loss	<u>(7,58,05,820)</u>	<u>(7,92,42,952)</u>

NOTE NO. 5

Long Term Borrowings

Unsecured

Vascon Engineers Limited	29,27,68,000	25,21,24,602
Connamore Resorts Private Limited	-	51,11,505
From Related parties	-	7,000
	<u>29,27,68,000</u>	<u>25,72,43,107</u>

(Repayable after 12 Months from the date of Call, No call has been made by the lender on the date of the Balance sheet date. Rate of Interest 16% pa.)



SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
Notes to Financial statements for the year ended March 31,2016

Currency Indian Rupees

Particulars	March 31,2016	March 31, 2015
NOTE NO. 6		
Other Long Term Liabilities		
Commitment Deposits	5,77,80,000	5,97,80,000
	<u>5,77,80,000</u>	<u>5,97,80,000</u>
NOTE NO. 7		
Trade Payable		
Trade Payables (Refer Note No.26)		
(A)Total Outstanding dues of micro enterprises and small enterprises		
(B)Total Outstanding dues of creditors other than micro enterprises and small enterprises	5,50,85,802	4,67,38,175
	<u>5,50,85,802</u>	<u>4,67,38,175</u>
NOTE NO. 8		
Other Current Liabilities		
Duties and Taxes	60,10,367	10,67,889
Advance from customers	13,57,54,226	5,08,71,182
Less: related unbilled revenue	2,22,18,643	-
Interest Accrued but not due on borrowings	3,89,15,095	30,99,523
Overdrawn capital with Vascon Arista	-	34,449
Others	2,22,78,059	-
Unearned Revenue	1,66,01,671	3,31,16,074
Less : Unearned Debtors	1,06,12,402	-
Overdrawn Bank Balance	-	-
Other Payables	1,59,574	9,11,158
	<u>18,68,87,947</u>	<u>8,91,00,275</u>
NOTE NO. 9		
Short Term Provisions		
Provision for Taxation (Net of Advance Tax)	4,84,467	-
	<u>4,84,467</u>	<u>-</u>
NOTE NO. 10		
Investment in Partnership Firm Vascon Arista	-	35,000
	<u>-</u>	<u>35,000</u>
NOTE NO. 11		
Long Term Loans and Advances		
Security Deposits	25,000	25,000
Other loans & advances	-	2,56,30,000
MAT credit entitlement	4,84,467	-
	<u>5,09,467</u>	<u>2,56,55,000</u>



SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
Notes to Financial statements for the year ended March 31,2016

Currency Indian Rupees

Particulars	March 31,2016	March 31, 2015
NOTE NO. 12		
Inventories (At cost)		
<u>Raw materials: (Valued at cost)</u>		
Developments	27,29,17,906	31,55,75,740
Constuction Materials	27,31,689	19,25,189
	<u>27,56,49,595</u>	<u>31,75,00,929</u>
NOTE NO. 13		
Trade receivables		
(Unsecured Considered Good, Unless Otherwise Stated)		
Exceeding six months :		
Considered good	17,73,04,159	3,47,86,819
Total (1)	17,73,04,159	3,47,86,819
Others :		
considered good	-	-
Total (2)	-	-
Total debtors (1+2)	17,73,04,159	3,47,86,819
(Less) : Related unearned receivables	1,06,12,402	-
	<u>16,66,91,757</u>	<u>3,47,86,819</u>
NOTE NO. 14		
Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	23,81,405	10,09,907
Balances with banks in current accounts	14,12,391	17,40,315
	<u>37,93,796</u>	<u>27,50,222</u>
NOTE NO. 15		
Other Current Assets		
Other receivable	32,94,405	7,67,862
Advance paid to trade payables	38,07,489	21,22,773
	71,01,894	28,90,635
Unbilled Revenue	9,56,72,530	-
Less - Related Advances	2,22,18,643	-
	7,34,53,887	-
	<u>8,05,55,781</u>	<u>28,90,635</u>



SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED

Notes to Financial statements for the year ended March 31,2016

Particulars	March 31,2016	March 31, 2015
NOTE NO. 16		
Revenue from Operations		
Sale of Units	248,232,209	-
Sale of Land/TDR	-	115,995,420
	248,232,209	115,995,420

NOTE NO. 17		
Construction Expenses		
Direct Expenses for development	178,556,649	31,449,382
	178,556,649	31,449,382

NOTE NO. 18		
Changes in inventories of Developments		
Opening Stock of Developments	315,575,741	415,412,876
Closing Stock of Developments	272,917,906	317,500,929
	42,657,835	97,911,947

NOTE NO. 19		
Finance Cost		
Interest expenses	43,357,836	69,732
Less : Borrowing cost transf to qualifying Asset	(43,238,994)	
	118,842	69,732

NOTE NO. 20		
Other Expenses		
<u>Auditors Remuneration :</u>		
Statutory audit fees	250,000	25,000
Brokerage	416,210	13,213,265
Professional Charges	159,910	51,050
Rates and Taxes	35,302	6,090
Other Expenses	297,504	51,812
Bank Charges	6,243	3,812
Printing and Stationery	10,966	89,873
Conveyance Expenses	7,557	6,921
Security charges	-	835,969
JV Partner Cost	22,278,059	-
	23,461,751	14,283,792

NOTE NO. 21		
Earning per share (EPS)		
Net Profit/(Loss) available for equity share holders	3,437,132	(27,719,433)
Weighted average no of equity shares for Basic EPS	1,000,000	1,000,000
Face Value per share	10	10
Basic EPS	3.44	(27.72)
Weighted average no of shares outstanding for Diluted	1,000,000	1,000,000
Earning Per Share - Diluted	3.44	(27.72)



SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
(FORMERLY KNOWN AS SUNFLOWER HEALTH SERVICES PRIVATE LIMITED)
Notes to the financial statements for the year ended 31st December, 2016

- 22 The related parties as defined by the Accounting Standard 18 " Related Party Disclosure" issued by The Institute of Chartered Accountants of India, in respect of which disclosures have been made, have been identified on the basis of disclosure made by the Key Management Personnel taken on record by the board.

Name of related parties

1. Holding Company
Vascon Engineers Ltd.
2. Joint Venture
- Vascon Arista
3. Key Management Personnel
- D.Santhanam

Name of the related party	Nature of relations	Type of transactions	Transaction Amount
D. Santhanam	Director	Loan Repaid	NIL (NIL)
Vascon Arista	Joint Venture	Investment	NIL (NIL)
Vascon Arista	Joint Venture	Current Capital	NIL (3,97,85,000)

Name of the related party	Nature of	Due to	Due by
D. Santhanam	Director	-	NIL (NIL)
Vascon Arista	Joint Venture	NIL (NIL)	-
Vascon Arista	Joint Venture		NIL (3,97,85,000)

- 3 No Deferred tax asset has been created in respect of c/f business loss as there is no virtual certainty of having any taxable income against which the deffered tax assets can be adjusted.

24 Capital Commitment and Contingent Liabilities :

Particulars	March 31, 2016	March 31, 2015
A. Capital Commitments	NIL	NIL
B. Contingent Liability		
1.Claim against the company not acknowledge as Debt	NIL	NIL

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Project revenue recognised as revenue for the year ended 31st March 16	248,232,209	-
Methods used to determine the project revenue	Percentage of completion method	
Method used to determine the stage of completion of the Project	Physical completion substantiated by cost incurred	
In respect of all projects in progress		
Aggregate amount of costs incurred and profits	494,132,390	315,575,741
Advances received as at 31st March 16	135,754,226	50,871,182
Amount of work in progress as at 31st March 16	272,917,906	315,575,741



SUNFLOWER REAL ESTATE DEVELOPERS PVT LIMITED
(FORMERLY KNOWN AS SUNFLOWER HEALTH SERVICES PRIVATE LIMITED)
Notes to the financial statements for the year ended 31st December, 2016

26 The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] is as under:

Particulars	March 31,2016	March 31,2015
(a) Principal amount due thereon remaining unpaid to any supplier at end of each accounting year.	-	-
(b) Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
(c) The amount of interest paid in terms of Section 16 of Micro , Small and Medium Enterprises Development Act , 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(f) The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro , Small and Medium Enterprises Development Act, 2006	-	-

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company. This has been relied upon by the auditors.

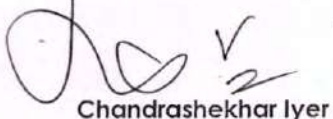
No dues were outstanding for more than 30 days from the date they were payable to the above parties.

27 The Board of Directors of the Company in its meeting held 9th February 2016 have proposed a scheme of merger of the Company with the holding company - M/s Vascon Engineers Limited (Pursuant to a resolution passed by the Board of Directors of the holding company on February 9th 2016), in terms of a scheme of amalgamation / merger under the Companies Act 1956 or corresponding provisions of the Companies Act 2013. As per the proposed scheme the business of the company shall be transferred to the holding company on a going concern basis. The scheme would be effective on receipt of necessary approval and completion of formalities as laid down thereunder.

28 Details of Earnings and Expenditure in Foreign Currency	March 31,2016	March 31,2015
Earnings	-	-
Expenditure: on account of payment of Professional fees	-	-

29 Corresponding figures of the previous year have been shown in the bracket and regrouped, renamed or rearranged wherever necessary.

As per our report of even date
For Chandrashekhar Iyer & Co.
 Chartered Accountants

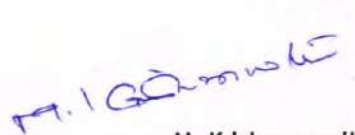
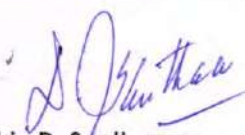

 Chandrashekhar Iyer,
 Proprietor

Membership No. 047723

Pune, Dated: **9 MAY 2016**



For and on behalf of Board of Directors

M. Krishnamurthi D. Santhanam
 Director Director
 DIN : 00037763 DIN : 00226569

Pune, Dated: