

**SHAH  
CONSTRUCTION  
COMPANY LIMITED**

70<sup>th</sup> ANNUAL REPORT  
2017-2018

# SHAH CONSTRUCTION COMPANY LIMITED

CINL45202MH1949PLC007048

## BOARD OF DIRECTORS:

Shri Mehul Jadavji Shah	-----	Chairman & Managing Director
Shri Dinesh K. Poddar	-----	Director
Shri Sanjay P. Shah	-----	Director
Shri Sanjay Damji Shah	-----	Director
Shri Sachikumar N. Adalja	-----	Director
Smt. Jaywanti Jadavji Shah	-----	Director
Shri. Yogesh Janakbhai Shah	-----	Director

## COMPANY SECRETARY:

Miss Anita Vyas

## BANKER:

Union Bank Of India – Versova Branch  
Bank of India – Malad (W) Branch

## STATUTORY AUDITOR:

A. C. Modi & Associates  
Flat No.1603, 16<sup>th</sup> Floor, Rashmi Heights,  
Opp. M. W. Desai Hospital,  
Dayabhai Patel Road,  
Malad (East), Mumbai – 400097.  
Tel.: 9324659021

## REGISTERED OFFICE :

11, Shah industrial Estate,  
Opp. Anna Temple, New Link Road,  
Andheri (West), Mumbai – 400 053.

# SHAH CONSTRUCTION COMPANY LIMITED

CIN: U45202MH1949PLC007048

## NOTICE

Notice is hereby given that the 70th Annual General Meeting of the members of Shah Construction Company Limited will be held on Saturday, the 29<sup>th</sup> September, 2018 at 11.00 a.m. at Sabroso The Premium banquet, 601-603A, Kotia Nirman, New Link Rd, Andheri (West), Mumbai – 400053 to transact the following business:

### **Ordinary Business:**

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2018 together and the reports of the Board of Directors and Auditors' thereon and in this regard, pass on the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors' thereon laid before this meeting, be and are hereby considered and adapted”.

2. To appoint Mr. Dinesh Keshardeo Poddar (DIN00158597) who retires by rotation as a Directors and in this regard, pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of the Section 152 of the Companies Act, 2013 Mr.Dinesh Keshardeo Poddar (DIN00158597), who retires by rotation at this meeting be and is hereby appointed as a Director of the company, liable to retire by rotation”.

**BY ORDER OF THE BOARD**

**MEHUL JADAVJI SHAH**

**DIRECTOR**

**DIN – 00933528**

Registered Office:

11, Shah Industrial Estate,  
Opp Anna Temple, New Link Road,  
Andheri (West), Mumbai 400053

CIN: U45202MH1949PLC007048

Date: 25th May,2018

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll only instead of himself and the proxy need not be a member.
2. The instrument appointing proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
5. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the Directors proposed to be appointed / re-appointed is given in the Annexure I to the Notice.
6. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
7. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2018 to 29<sup>th</sup> September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
9. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date to enable the management to keep the information ready.
10. Members are requested to bring their copy of Annual Report to the meeting.
11. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.30 A. M. and 1.00 P.M. on all working days up to the date of the Meeting.

## **ANNEXURE I TO THE ITEM NO. 1 OF THE NOTICE**

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Directors proposed to be appointed / re-appointed.

### 1. Mr. Dinesh Keshardeo Poddar (DIN 00158597) :

Name of the Director	Mr.Dinesh Keshardeo Poddar
Date of Birth / Age	10/06/1964 54 Years
Date of First Appointment on the Board	30/09/1995
Relationship with other Directors	NA
Expertise in specific functional areas and Brief Profile	Construction activities
Qualification	B.Com.
Experience	More than 30 years in business of construction, strategic planning, business development in the field of real estate .
Board Membership of other Companies as on March 31, 2018	Anchor Daewoo Industries Limited John Oak Remedies Private Limited Poddar Infracon Private Limited Jogindra Exports Limited Poddar Realty India Private Limited
Chairperson/Member of the Committee of the Board of Directors of the Company as on March 31, 2018	-
Shareholding in the Company (as on 31/03/2018)	313
No. of Board Meetings attended during the last financial year (2017-2018)	5
Terms and Conditions of appointment or re-appointment	Appointed as director liable to retire by rotation.

## Board's Report

### Dear members,

The Board of Directors is pleased to present the Company's 70<sup>th</sup> annual report and the Company's Audited Financial Statements for the financial year ended March 31, 2018.

#### 1. Financial results

The Company's financial performance for the year ended March 31, 2018 is summarized below:

Financial Results :

	2017-18	2016-17 (Rupees in Lacs)
Total income	621.83	497.78
Profit/ (Loss) before finance costs and Depreciation	207.26	170.36
Less: Finance costs	554.84	190.57
Depreciation	18.52	21.70
Profit/(Loss) after finance cost and depreciation Carried to balance sheet	(366.10)	(41.90)

#### 2. Company's performance and state of affairs of the company

\* Total income has increased to Rs. 621.83 Lacs from Rs. 497.78 Lacs in the previous year.

\* Loss after finance cost and depreciation has Increased to Rs. 366.10 Lacs for the year ended 31<sup>st</sup> March, 2018 compared to previous year Rs. 41.90 Lacs.

#### 3. Dividend and transfer to reserves

In view of the loss, the Board of Directors is unable to recommend any dividend for the financial year 2017-18 and no amount is transferred to Reserves for the financial year 2017-18.

#### 4. Material changes affecting the company

There have been no material changes and commitments affecting the financial position of the company between end of the financial year and date of this report. There has been no change in the nature of business of the company.

## **5. Secretarial Standards**

The Directors state that the applicable Secretarial Standards i.e. SS-1 and SS-2 relating to the 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company.

## **6. Director's Responsibility Statement**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- b) 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 as at March 31, 2018 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 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 are operating; and
- f) the Directors have revised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

## **7. Contracts and arrangements with related parties**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arms length basis and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required.

Members may refer to Note No. 32 to the financial statement which sets out related party disclosures pursuant to Ind AS.

## **8. Corporate Social Responsibility (CSR)**

The provisions relating to Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 are not applicable to the Company.

## **9. Risk Management**

The Risk Management Policy has been framed, implemented and monitored. Major risk identified by the businesses and functions are systematically monitored through mitigating actions on continuing basis.

The development and implementation of Risk Management Policy has been covered in Management Discussion & Analysis which forms part of this report.

## **10. Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to the financial statements. During the year such controls were tested and no reportable material weakness in the design or operation was observed.

## **11. Directors and Key Managerial Personnel**

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Dinesh Keshardev Poddar retires by rotation and being eligible offers himself for re-appointment at the ensuing annual general meeting. The Board of Directors on recommendation of Nomination & Remuneration Committee has recommended his re-appointment.

As per the provisions of the Companies Act, 2013, Independent Directors have been appointed for a period of 5 years and shall not be liable to retire by rotation. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the act and the listing regulations.

## **12. Meetings of the Board**

Five meetings of the Board of Directors were held during the year on the following dates namely 30/5/2018, 24/08/2017, 12/09/2017, 14/12/2017 and 14/02/2018

## **13. Audit Committee**

The Company has constituted the Audit Committee which comprises of Independent Directors viz. Mr. Sachi N Adalja Chairman, and Mr. Sanjay P. Shah and Mr. Dinesh Poddar as other members. All the recommendations made by the Audit Committee were accepted by the Board.

## **14. Nomination & Remuneration Committee:**

The Company has constituted the Nomination & Remuneration Committee of the Board is constituted to formulate and recommend to the Board from time to time, a compensation structure for Managing Directors/Whole-time Directors and Managerial Personnel of the Company.

The nomination and Remuneration Committee comprises Independent Directors viz. Mr. Sachi N Adalja Chairman, and Mr. Sanjay P shah and Mr. Dinesh Poddar as other members.

## **15. Stakeholders Relationship Committee**

The Company has constituted stakeholders Committee comprises of three Directors namely Mr. Sachi N Adalja Chairman, and Mr. Sanjay P shah and Mr. Dinesh Poddar as other members.

## **16. Remuneration and Nomination Policy**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.



## **17. Auditors and auditors' report**

### **Statutory Auditors**

M/s. A. C. Modi & Associates, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29<sup>th</sup> September, 2017. for a term of five consecutive years. They have confirmed that they are not disqualified from continuing as Auditors of the Company. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by the members at every Annual General Meeting.

In accordance with Companies Amendment Act, 2017 enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Report given by the Auditors on the financial statement of the Company is part of this report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### **Secretarial Auditor**

The Board has appointed D. Kothari & Associates, Practicing Company Secretaries to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith and marked as Annexure I to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## **18. Vigil mechanism**

The Vigil Mechanism of the Company, which also includes Whistle Blower Policy, includes an ethics and compliance task force comprising senior executives of the Company. Protected disclosures can be made by Whistle Blower through an email or letter to the Chairman of the Audit Committee. No person has been denied access to the Audit Committee.

## **19. Particulars of loans given, investments made, Guarantees given and securities provided**

The Company has not given any loans or made any investments or provided guarantees u/s 186 of the Companies Act, 2013.

## **20. Conservation of energy, technology absorption and foreign exchange earnings and outgo.**

The particulars related to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under the act are provided in Annexure II to this report.

## **21. Extract of annual return**

Extract of Annual Return of the Company is annexed herewith as Annexure III to this report.

## **22. Particulars of employees and related disclosures**

The Company does not have any employee whose particulars are required to be disclosed in terms of the provisions of Section 197(12) of the act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, hence furnishing of the same does not arise,

Having regard to the provisions of the first proviso to Section 136(1) of the act, the annual report excluding the information regarding the top ten employees is being sent to the members of the Company. The said information is available for inspection on all working days during the business hours at the registered office of the Company. Any member interested in obtaining such information, may write to the Company Secretary and the same shall be furnished on request.

### **23. General**

Your Directors take that no disclosure or reporting required in respect of the following items as there were no transactions on these items during the year under review.

- 1) Details relating to deposits covered under Chapter V of the act.
- 2) Issue of Equity Shares to differential rights as to dividend, voting or otherwise.
- 3) Issue of shares (including sweat equity shares) to employees of the Company.
- 4) The Company does not have any subsidiaries, hence, the question of receiving remuneration or commission by the Managing Directors or Whole Time Directors of the Company from the subsidiaries does not arise.
- 5) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in the future.
- 6) No fraud has been reported by the auditors to the Audit Committee or the Board.

Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **24. Acknowledgement**

Your Directors would like to express the sincere appreciation for the assistance and co-operation received from Shareholders, Bank , Government Authorities and other Business constituents during the year under review.

Your Directors would also like to appreciate the commitment displayed by the human resources of the Company.

On behalf of the Board of Directors

Mehul Jadavji Shah  
Director  
(DIN:00933528.)

Dinesh Keshardeo Poddar  
Director  
(DIN:00158601.)

Mumbai , May 25, 2018

## Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

*[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,  
**SHAH CONSTRUCTION CO. LIMITED**  
11, New Link Road, Shah Industrial Estate,  
Opp. Anna temple, Andheri W,  
Mumbai-400053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHAH CONSTRUCTION CO. LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company'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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 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;
- (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;

We 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 BSE Limited read with SEBI (LODR) Regulations, 2015.

To the best of our understanding, we are of the view that during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. The Company has not opted for dematerialization of its shares.
2. the company did not provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meeting.
3. The Company has not appointed a whole time Company Secretary.
4. The Company has not appointed a whole time Chief Financial Officer.
5. The Company has yet to comply with the minimum public shareholding requirement under the Securities Contracts Regulations (Rules), 1957 ("SCRR").

#### **We further report that**

having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws to the extent applicable, specifically to the Company, as per the representations made by the Company:

1. Indian Contract Act, 1872
2. Indian Electricity Act, 1910
3. Water (Prevention and Control of Pollution) Act, 1974
4. Water (Prevention and Control of Pollution) Cess Act, 1977
5. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
6. Information Technology Act, 2000; and

#### **We 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.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda are 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 decisions are carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

#### **We further report that**

- a. the Company has generally complied with the requirements under the Equity Listing Agreements entered into with BSE Limited., Mumbai and SEBI (LODR) Regulations, 2015, except few events as mentioned above.
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

**We further report that:**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For D.Kothari And Associates**

**Company Secretaries**

**Dhanraj Kothari**

**Proprietor**

**FCS No. : 4930**

**CP No. : 4675**

Place: Mumbai

Date: 25<sup>th</sup> May, 2018

## ANNEXURE

To,  
The Members,  
**SHAH CONSTRUCTION CO. LIMITED**  
11, New Link Road, Shah Industrial Estate,  
Opp. Anna temple, Andheri W ,  
Mumbai-400053

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our 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.

**For D.Kothari And Associates**  
**Company Secretaries**

**Dhanraj Kothari**  
**Proprietor**  
**FCS No. : 4930**  
**CP No. : 4675**  
Place: Mumbai  
Date: 25<sup>th</sup> May, 2018

## **ANNEXURE II TO THE DIRECTORS REPORT**

### **Particulars of energy conservation, technology absorption and foreign exchange earnings and outgo required under Companies (Accounts) Rules 2014**

#### **A. Conservation of energy**

The company's operations do not involve substantial consumption of energy in comparison to the cost of production. Wherever possible, energy conservation measures have been implemented.

#### **B. Technology absorption**

The Company has neither purchased any technology domestically nor imported any technology. Hence, the question of furnishing the information regarding technology absorption does not arise.

(i) The revenue expenditure incurred on Research and Development is NIL

#### **C. Foreign Exchange earnings and Outgo**

The company has earned NIL in Foreign Exchange & used Rs. 56,69,525/- of Foreign Exchange.

**ANNEXURE III**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2018**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN: U45202MH1949PLC007048  
ii) Registration Date: 05th April, 1949  
iii) Name of the Company : Shah Construction Company Limited  
iv) Category / Sub-Category of the Company : COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY  
v) Address of the Registered office and contact details : 11, Shah Industrial Estate, Opp Anna Temple, New Link Road, Andheri (West) Mumbai 400053. Tel : 022 66920678 / 79  
vi) Whether listed company Yes / No : Yes  
vii) Name, Address and Contact details of Registrar : N.A. and Transfer Agent, if any

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product service	% to total turnover of the company
1	Construction	995311	NIL

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	N.A.				



IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2017)				No. of Shares held at the end of the year (as on 31/03/2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
g) Individual/HUF	0	10	118737	73.64	0	7	118787	73.67	0.03
h) Central Govt.	0	0	0	0	0	0	0	0	0
i) State Govt(s)	0	0	0	0	0	0	0	0	0
j) Bodies Corp.	0	0	0	0	0	0	0	0	0
k) Banks/FI	0	0	0	0	0	0	0	0	0
l) Any Other..	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(1)</b>	<b>0</b>	<b>10</b>	<b>118737</b>	<b>73.64</b>	<b>0</b>	<b>7</b>	<b>118787</b>	<b>73.67</b>	<b>0.03</b>
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other.....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>0</b>	<b>10</b>	<b>118737</b>	<b>73.64</b>	<b>0</b>	<b>7</b>	<b>118787</b>	<b>73.67</b>	<b>0.03</b>
<b>B. Public Shareholding</b>									
1 Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	4	575	0.36	0	4	575	0.36	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital									
f) Insurance Companies	0	2	9300	5.77	0	2	9305	5.77	0
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)	0	0	0	0	0	0	0	0.00	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>6</b>	<b>9875</b>	<b>6.13</b>	<b>0</b>	<b>6</b>	<b>9880</b>	<b>6.13</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	1	2100	1.3	0	1	2100	1.3	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0				0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	0	811	16825	10.43	0	839	16770	10.4	-0.03
ii) Individual holding nominal share capital in excess of Rs. 2 lakh	0	2	13713	8.5	0	2	13713	8.5	0
c) Others (specify)									
NRIs	0	0	0	0	0	0	0	0	0
Clearing Member	0	0	0	0	0	0	0	0	0
Independent Director	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>814</b>	<b>32638</b>	<b>20.24</b>	<b>0</b>	<b>842</b>	<b>32583</b>	<b>20.21</b>	<b>-0.03</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>0</b>	<b>820</b>	<b>42513</b>	<b>26.36</b>	<b>0</b>	<b>848</b>	<b>42463</b>	<b>26.34</b>	<b>-0.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>830</b>	<b>161250</b>	<b>100</b>	<b>0</b>	<b>855</b>	<b>161250</b>	<b>100</b>	<b>0</b>

## (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/17)			Shareholding at the end of the year (31/03/2018)			% change in Shareholding during the year	
		No. of Shares	% of total Shares of the company	% of Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Pledged/encumbered to total shares	No. of Shares	% of change in shareholding
1	Mrs. Heena Sanjay Shah	2608	1.62	0	2608	1.62	0	0	0
2	Mrs. Heena Sanjay Shah (Jt. A/c)	10000	6.20	0	10000	6.20	0	0	0
3	Mrs. Jaywanti Jadavji Shah (Jt. A/c)	2200	1.36	0	2200	1.36	0	0	0
4	Mrs. Jaywanti Jadavji Shah	28506	17.68	0	28506	17.68	0	0	0
5	Mr. Sanjay Amritlal Desai (Jt. A/c)	1	0.00	0	1	0.00	0	0	0
6	Mrs. Shantaben Damji Shah (Jt. A/c)	2553	1.58	0	2553	1.58	0	0	0
7	Mrs. Shantaben Damji Shah	28451	17.64	0	28451	17.64	0	0	0
8	Mr. Hemang J. Shah	15688	9.73	0	15688	9.73	0	0	0
9	Mr. Sanjay D. Shah	15670	9.72	0	15670	9.72	0	0	0
10	Mrs. Kanan Hemang Shah	13060	8.10	0	13110	8.13	0	50	0.03
	<b>TOTAL</b>	<b>118737</b>	<b>73.64</b>		<b>118787</b>	<b>73.67</b>			<b>0.03</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	No Change					
	At the beginning of the year	Mrs Kanan H. Shah	13060	8.1		
	Market Purchase		50	0.03	13110	8.13
	At the End of the year		13110	8.13	13110	8.13

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/17)		Cumulative Shareholding during the year (31/03/18)	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the
1	VASANT RATANSHI CHHEDA	7713	4.78	7713	4.78
2	HEMA VASANT CHHEDA	6000	3.72	6000	3.72
3	LIFE INSURANCE CORP. OF INDIA	5685	3.53	5685	3.53
4	THE NEW INDIA ASSURANCE CO. LTD	3615	2.24	3615	2.24
5	BIMLADEVI JAIN	608	0.38	608	0.38
6	SMITA KATARUKA	552	0.34	552	0.34
7	PRADEEP KUMAR DHELIA	500	0.31	500	0.31
8	DWAR SOFTWARE LTD.	480	0.3	480	0.3
9	ATUL KALYAN	800	0.49	800	0.49
10	PUSHYA TOWERS PRIVATE LIMITED	2100	0.13	2100	0.13

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01/04/17)		Cumulative Shareholding during the year (31/03/18)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SANJAY PREMJI SHAH	50	0.03	50	0.03
2	DINESH KESHARDEO PODDAR	257	0.16	313	0.19
3	KESHARDEO SAWARMAL PODDAR	54	0.03	0	0.00
4	SANJAY DAMJI SHAH	15670	9.72	15670	9.72
5	JAYWANTI JADAVJI SHAH	30706	19.04	30706	19.04

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

		<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year					
i) * Principal Amount		--	357,194,442		357,194,442
ii) * Interest due but not paid		--	--	--	--
iii) * Interest accrued but not due		--	--	--	--
<b>Total (i+ii+iii)</b>		<b>--</b>	<b>357,194,442</b>	<b>--</b>	<b>357,194,442</b>
Change in Indebtedness during the financial year					
* Addition		--	29,131,491	--	29,131,491
* Reduction		--	--	--	--
Net Change			<b>29,131,491</b>	<b>--</b>	<b>29,131,491</b>
Indebtedness at the end of the financial year					
i) Principal Amount		--	386,325,933	--	386,325,933
ii) Interest due but not paid		--	--	--	--
iii) Interest accrued but not due		--	--	--	--
<b>Total (i+ii+iii)</b>		<b>--</b>	<b>386,325,933</b>	<b>--</b>	<b>386,325,933</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		.....	.....	.....	.....	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	--	--	--	--	--
3	Sweat Equity					
4	Commision - as % of profit - others, specify...					
5	Others, please					
	Total (A)	--	--	--	--	--
	Ceiling as per the Act					

### B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount
		.....	.....	.....	.....	
	3. Independent Directors					
	* Fee for attending board committee meetings * Commission * Others, please specify					
	Total (1)					
	4. Other Non-Executive Directors					
	* Fee for attending board committee meetings * Commission * Others, please specify					
	Total (2)					
	Total (B) = (1 + 2)					
	Total Managerial Remuneration	.....	.....	.....	.....	.....
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN  
MD / MANAGER WTD

Sl.No.	Particular of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CEO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	--	--	--	--
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total	--	--	--	--

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF SHAH CONSTRUCTION COMPANY LIMITED** **REPORT ON STANDALONE FINANCIAL STATEMENTS.**

We have audited the accompanying Standalone Financial Statements of M/s. Shah Construction Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

### **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 including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' 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 of the Standalone Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 standalone

Financial Statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 Standalone 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 March 31, 2018, its Loss including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date

### **OTHER MATTER**

- (a) The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated May30,2017 expressed an unmodified opinion
- (b) We draw attention to the following matter in the notes to the financial statements:

In our opinion, Subject to Note No. 6 and 8 regarding valuation of overseas property, plant & Equipment and other overseas Non current Assets in foreign currency are valued at the rate prevailing as on 30.03.1984, Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.



Our opinion is not modified in respect of these matters.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1) As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" , a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
  - e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 Auditors report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our knowledge and belief and according to the explanation given to us;
    - 1) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements.
    - 2) The Company did not have any long term contracts including derivative contracts.

- 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For A.C.MODI & ASSOCIATES**  
*Chartered Accountants*  
Firm's registration number: 116555W

**ALPESH. C.MODI**  
*Proprietor*  
Membership number: 101342

Place: Mumbai  
Date: 25<sup>th</sup> May,2018

## **Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

### **1. In respect of its fixed assets:**

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has regular programme for physical verification in a periodic manner, which is, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification except Fixed Assets situated at foreign sites in Iraq amounting to Rs. 8.98 crores at cost are not verifiable.
- c) According to information and explanation given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

### **2. In respect of its inventories:**

The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable and as explained to us, no material discrepancies were noticed on such physical verification.

### **3. In respect of loan given:**

According to the information and explanations given to us, the company has not given any secured or unsecured loans to the persons covered under the register maintained u/s.189 of the Companies Act,2013 (The Act).

4. In our opinion and according to the information and explanations given to us, the Company has not given any loans or made any new investment during the year and hence reporting related to compliance with the provisions of section 185 and 186 of the Act does not required.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.

**7. In respect of statutory dues:**

- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Goods and Services Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.
- (b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Sales-Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (c) According to the records of the Company, the dues of Income-Tax which have not been deposited on March 31, 2018 on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Assessment Dues	10.62	Asst. Year 2008-09	CIT (Appeals)
Income Tax Act, 1961	Assessment Dues	26.19	Asst. Year 2011-12	CIT (Appeals)
Income Tax Act, 1961	Assessment Dues	11.32	Asst. Year 2013-14	CIT (Appeals)
Income Tax Act, 1961	Assessment Dues	1.72	Asst. Year 2014-15	CIT (Appeals)

8. The Company does not have any loans or borrowings from any financial institution, banks or government. The company has not issued any debenture as at the balance sheet date and hence the provisions of clause 3(viii) of the order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our Opinion and according to the information and explanations given to us the company has utilized the money raised by way of term loan during the year for the purposes for which they were raised.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration and Accordingly, paragraph 3 (xi) of the Order is not applicable.
12. In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
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. According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
15. According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013 and hence, reporting requirements under clause 3(xv) of the Order are not applicable to the Company and, not commented upon.
16. According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For A.C.MODI & ASSOCIATES**  
*Chartered Accountants*  
Firm's registration number: 116555W

**ALPESH C.MODI**  
*Proprietor*  
Membership number: 101342

Place: Mumbai  
Date: 25<sup>th</sup> May,2018

## **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 M/s. Shah Construction Company Limited ('the Company'), as of 31 March 2018 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 the 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 31 March 2018, 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 A.C.MODI & ASSOCIATES**

*Chartered Accountants*

Firm's registration number: 116555W

**ALPESH C.MODI**

*Proprietor*

Membership number: 101342

Place: Mumbai

Date: 25<sup>th</sup> May,2018



# SHAH CONSTRUCTION COMPANY LIMITED

## Balance Sheet as at 31st March, 2018

(Amount in ₹)

PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1,2016
<b>ASSETS</b>				
<b>Non Current Assets</b>				
(a) Property Plant and Equipment	6	163,575,306	162,527,348	163,836,701
(b) Capital Work in Progress	6	2,615,407	-	-
(c) Financial Assets				
(i) Loans & Advances	7	2,944,187	2,758,575	1,960,513
(d) Other non current assets	8	120,748,242	121,372,114	118,636,708
<b>Total Non Current Assets</b>		<b>289,883,142</b>	<b>286,658,037</b>	<b>284,433,922</b>
<b>Current Assets</b>				
(a) Inventories	9	174,961,944	165,089,764	150,452,848
(b) Financial assets				
(i) Trade receivables	10	20,079,362	10,752,496	7,516,017
(ii) Cash and cash equivalents	11	3,574,899	6,463,903	470,627
(c) Other Current Assets	12	1,685,281	3,613,421	1,060,235
<b>Total Current Assets</b>		<b>200,301,485</b>	<b>185,919,584</b>	<b>159,499,727</b>
<b>TOTAL ASSETS</b>		<b>490,184,627</b>	<b>472,577,621</b>	<b>443,933,649</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	13	16,125,000	16,125,000	16,125,000
(b) Other Equity	14	(670,693,978)	(633,928,317)	(596,003,869)
<b>Total Equity</b>		<b>(654,568,978)</b>	<b>(617,803,317)</b>	<b>(579,878,869)</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15	482,460,000	485,139,567	484,934,209
(b) Other Non current liabilities	16	27,350,059	27,562,805	27,775,550
<b>Total Non Current Liabilities</b>		<b>509,810,059</b>	<b>512,702,372</b>	<b>512,709,759</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	17	386,325,933	357,194,442	331,251,686
(ii) Trade Payables	18	4,806,069	9,641,627	10,607,804
(iii) Other Financial Liability	19	240,025,794	206,383,825	167,643,825
(b) Other Current liabilities	20	3,785,747	4,458,671	1,599,443
<b>Total Current Liabilities</b>		<b>634,943,543</b>	<b>577,678,564</b>	<b>511,102,758</b>
<b>Total Liabilities</b>		<b>1,144,753,603</b>	<b>1,090,380,937</b>	<b>1,023,812,517</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>490,184,627</b>	<b>472,577,621</b>	<b>443,933,649</b>

See accompanying notes forming part of the Financial Statements

As per our report of even date

For A.C.MODI & ASSOCIATES

Chartered Accountants

Firm's registration number: 116555W

For and on behalf of the Board

Mehul J. Shah

Chairman & Managing Director

ALPESH C.MODI

Proprietor

Membership number: 101342

Dinesh K. Poddar

Director

Sanjay D. Shah

Director

Place Mumbai

Dated : 25th May,2018

# SHAH CONSTRUCTION COMPANY LIMITED

## Statement of Profit and loss for the year 2017-2018

Amount in ₹

PARTICULARS	NOTE NO.	2017-2018	2016-2017
<b>INCOME</b>			
Revenue from Operations	21	55,236,103	49,335,170
Other Income	22	6,946,893	655,422
<b>TOTAL INCOME</b>		<b>62,182,996</b>	<b>49,990,592</b>
<b>EXPENSES</b>			
Project Expenses	23	11,251,489	14,636,916
Cost of Materials consumed	24	-	193,900
Change in Inventories of Finished goods, Work in Progress and Stock in trade	25	(9,872,179)	(14,636,916)
Employee benefits expense	26	4,735,446	4,656,645
Finance costs	27	55,484,195	53,002,651
Depreciation/ Amortization and Depletion expense	6	1,852,072	2,170,299
Other expenses	28	35,342,326	27,891,546
<b>TOTAL EXPENSES</b>		<b>98,793,349</b>	<b>87,915,040</b>
<b>Profit/(Loss) before tax</b>		(36,610,353)	(37,924,448)
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Income Tax of Earlier Year		155,308	
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(36,765,661)</b>	<b>(37,924,448)</b>
Other Comprehensive Income		0	0
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(36,765,661)</b>	<b>(37,924,448)</b>
<b>Earnings per equity share:</b>			
(1) Basic	29	(228.00)	(235.19)
(2) Diluted		(228.00)	(235.19)

See accompanying notes forming part of the Financial Statements

**As per our report of even date**

For **A.C.MODI & ASSOCIATES**

Chartered Accountants

Firm's registration number: 116555W

For and on behalf of the Board

**Mehul J.Shah**

Chairman & Managing Director

**ALPESH C.MODI**

Proprietor

Membership number: 101342

**Dinesh K.Poddar**

Director

**Sanjay D.Shah**

Director

Place : Mumbai

Dated : 25th May,2018

**SHAH CONSTRUCTION COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

PARTICULARS	2017-2018		2016-2017	
<b>A. Cash Flow arising from Operating Activities:</b>				
Net Profit/(Loss) Before Taxation		(36,610,353)		(37,924,448)
Add/(less) : Profit on sale of Fixed Assets	-			
Depreciation Charge	1,852,072		2,170,299	
		1,852,072		2,170,299
		(34,758,281)		(35,754,149)
Less: Deposits W/off	-		-	
Interest received	3,674,925		55,449	
		3,674,925		55,449
Operating Profit before Working Capital Changes		(38,433,206)		(35,809,598)
<u>Adjustment for:</u>				
(Increase)/Decrease in Trade Receivables	(9,326,866)		(3,236,479)	
(Increase)/Decrease in Inventories	(9,872,179)		(14,636,916)	
(Increase)/Decrease in Other Current assets	1,928,142		(2,553,186)	
Increase/(Decrease) in Current Liabilities - Borrowing	29,131,491		25,942,756	
Increase/(Decrease) in Trade Payables	(4,835,558)		(966,178)	
Increase/(Decrease) in Other Current Liabilities	32,969,046		41,599,228	
Increase/(Decrease) in Other Non-Current Liabilities	(212,746)		(212,745)	
(Increase)/Decrease in Non-Current Assets	438,260		(3,533,468)	
		40,219,589		42,403,012
		1,786,383		6,593,413
Less: Income Tax for the Year	155,308		-	
		155,308		-
<b>Net Cash inflow/(Outflow) in course of Operating Activities:</b>		<b>1,631,075</b>		<b>6,593,413</b>
<b>B. Cash Flow Arising from Investing Activities:</b>				
Adjustment for:				
Capital Work in Progress	(2,615,407)		-	
Purchase of Fixed Assets	(2,900,030)		(860,946)	
Rent Income	-		-	
		(5,515,437)		(860,946)
<b>Net Cash inflow/(Outflow) in course of Investing Activities:</b>		<b>(5,515,437)</b>		<b>(860,946)</b>
<b>C. Cash Flow Arising from Financial Activities:</b>				
Cash Inflow				
a) Borrowings (Net)	(2,679,567)		205,358	
b) Interest received	3,674,925		55,449	
		995,358		260,807
<b>Net Cash inflow/(Outflow) in course of Financial Activities:</b>		<b>995,358</b>		<b>260,807</b>
<b>Net Cash outflow (A+B+C):</b>		(2,889,004)		5,993,275
<b>Add: Balance at the beginning of the Year</b>		6,463,903		470,627
<b>Balance at the end of the Year</b>		3,574,899		6,463,903

**As per our report of even date**

For **A.C.MODI & ASSOCIATES**

Chartered Accountants

Firm's registration number: 116555W

**For and on behalf of the Board**

**Mehul J. Shah**

Chairman & Managing Director

**ALPESH C.MODI**

Proprietor

Membership number: 101342

**Dinesh K. Poddar**

Director

**Sanjay D. Shah**

Director

**Place : Mumbai**

**Dated : 25th May, 2018**

# SHAH CONSTRUCTION COMPANY LIMITED

## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2018

Amount in ₹

### A. EQUITY SHARE CAPITAL

Balance at the beginning of the Reporting period i.e. 1st April,2016	Changes in Equity Share Capital during the year 2016-17	Balance at the End of the reporting Period i.e. 31st March,2017	Changes in Equity Share Capital during the year 2017-18	Balance at the End of the reporting Period i.e. 31st March,2018
16,125,000	-	16,125,000	-	16,125,000

### B. OTHER EQUITY

#### Reserves and Surplus

PARTICULARS	Capital Reserve	Revaluation reserve	General reserves	Retained Earning	Total
<b>AS ON 31ST MARCH, 2017</b>					
Balance at the beginning of the reporting period i.e. 1st April, 2016	3,645,300	62,051,925	6,312,746	(503,381,671)	(431,371,699)
Re-measurement adjustments on 1st April, 2016	0	0	0	(164,632,169)	(164,632,169)
<b>RESTATED BALANCE AS ON 31ST MARCH, 2017</b>	3,645,300	62,051,925	6,312,746	(668,013,840)	(596,003,868)
Total profit/(Loss) for the year 2016-17	0	0	0	(37,924,448)	(37,924,448)
<b>Balance at the end of the reporting period i.e., 31st March,2017</b>	3,645,300	62,051,925	6,312,746	62,051,925	(633,928,317)
<b>AS ON 31ST MARCH, 2018</b>					
Balance at the beginning of the reporting period i.e. 1st April, 2017	3,645,300	62,051,925	6,312,746	62,051,925	(633,928,317)
Total profit/(Loss) for the year	0	0	0	(36,765,661)	(36,765,661)
<b>Balance at the end of the reporting period i.e., 31st March,2018</b>	3,645,300	62,051,925	6,312,746	25,286,264	(670,693,978)

See accompanying notes forming part of the

**As per our report of even date**  
 For **A.C.MODI & ASSOCIATES**  
*Chartered Accountants*  
 Firm's registration number: 116555W

**ALPESH C.MODI**  
*Proprietor*  
 Membership number: 101342

**Place : Mumbai**  
**Dated : 25th May, 2018**

**For and on behalf of the Board**

**Mehul J. Shah**  
 Chairman & Managing Director

**Dinesh K. Poddar**  
 Director

**Sanjay D. Shah**  
 Director

# SHAH CONSTRUCTION COMPANY LIMITED

Notes to the Standalone financial Statements for the year ended March 31, 2018

## **(1) CORPORATE INFORMATION**

Shah Constructions Company limited (the company) is a listed entity Incorporated in India.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual

## **(2) BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT AND SIGNIFICANT ACCOUNTING POLICIES**

### **(2)(a) BASIS OF PREPARATION AND PRESENTATION**

#### **Compliance with Ind AS**

The financial statements of the company comply in all material aspects with Indian Accounting Standards (Ind AS) AS specified under section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements of the company upto year ended March 31, 2017 have been prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act 2013.

#### **Historical cost convention**

The financial statements of the company have been prepared on an accrual and going concern basis. The financial statements have been prepared on historical cost basis, except for certain assets and liabilities that is measured at fair value as states in subsequent policies.

### **(2)(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **i) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

#### **Transition to Ind AS:**

On transition to Ind As, the Company has elected to choose the Cost model i.e to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### **Depreciation methods, estimated useful lives and residual value:**

Freehold Land is not depreciated. The depreciation has been provided on the written down value basis in accordance with the requirement of the schedule-II of the companies Act, 2013.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss within other expenses or other income, as applicable.

#### **Impairment of non-financial assets - property, plant and equipment and intangible assets**

An assets is treated as impaired when carrying cost of assets exceeds its recoverable value. The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An Impairment loss is recognised in statement of Profit and Loss in the year in which an assets are identified as impaired.

### **ii) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognizes revenue from sale of goods when:

- (a) the Company has transferred to the buyer the significant risk and reward of ownership of goods
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with the
- (c) the amount of revenue can be reliably measured
- (d) it is probable that future economic benefits associated with the transaction will flow to the Company

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

In respect of Real Estate Development activity, the company is following Project completion method of accounting for revenue recognition in order to depict the reasonable picture of the project. Revenue is recognized when Project is completed, Occupancy Certificate (OC) is obtain from the Municipal authority and possession along with risk and reward in the property is transferred to the prospective buyer.

### **iii) Employee Benefit Schemes**

#### **Short-term benefits:**

Employee benefits payable within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and exgratia.

#### **Post -Employment Benefits:**

Gratuity:

The Company has no defined benefit plan (the 'Gratuity Plan'). Hence the Company does not accrue for its Gratuity liability. Gratuity is accounted on payment basis.

### **iii) Inventories:**

Stores are valued at lower of cost or net realisable value.

In respect of Real Estate Development activity of the company ,the work in progress consist of the cost of materials, labour charges and other incidental expenses for the project till the date of the Balance sheet.

In view of the project completion method of accounting followed by the company, work in progress along with the booking amount received (if any) carried forward to subsequent year.

### **iv) Trade Receivables:**

Trade Receivables are stated at book value after making provisions for doubtful debts. Management considers that the book value approximates fair value. Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The provision for bad and doubtful debts is based on specific risk assessment and reference to past default experience.

### **v) Financial Instruments:**

#### **Financial Assets**

##### **Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### **Subsequent measurement**

##### **Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### **Financial liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### **vi) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an out flow of resources. Provisions are not recognised for future operating losses.

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

Contingent Assets are disclosed , where an inflow of economic benefits is probable.

#### **vii) Tax Expense**

The tax expense for the period comprises current and deferred tax. Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income respectively.

#### **Current Tax:**

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted , at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation . It establishes provisions where appropriate on the basis of

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**viii) Borrowing Cost**

Borrowing costs includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

**ix) Foreign Currency Transactions**

Foreign exchange transactions are recorded at the rate prevailing on the dates of the respective transaction. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate as on Balance Sheet date. The resultant exchange difference is recognized in the Profit and Loss Account.

Exchange rate differences arising on a monetary item that, in substance, forms part of the Company's net investment in a nonintegral foreign operation are accumulated in a foreign currency translation reserve in the Company's financial statements until the disposal of the net investment.

Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on

The company has valued its Current Assets, Current Liabilities and loans in foreign currency in respect of projects in Iraq at the rate prevailing as on 30.06.1984.

**x) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Indian rupee (₹), which is Company's functional and presentation currency.

**3) CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**4) GOING CONCERN**

The Company is a going concern in spite of the accumulated losses since there is scope for wiping out these losses in view of the potentiality for developing existing assets, expected settlements with creditors, the projects under negotiation as well as the future prospects of the company.



## 5) FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

### Exemptions from retrospective application

#### Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

## 7) Non Current Assets- Financial Assets

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	₹	₹	₹
<b>(Unsecured and considered good)</b>			
<b>Loans &amp; Advances:</b>			
Trade/Security Deposits given	2,944,187	2,758,575	1,960,513
<b>Total</b>	<b>2,944,187</b>	<b>2,758,575</b>	<b>1,960,513</b>

Notes:

All the above loans and advances have been given for business purposes  
Loans, Advances and deposits shown above, fall under the category of 'Non-Current Assets \_Financial Assets ' are repayable within 3 to 5 years.

## 8) Non Current Assets- Others

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	₹	₹	₹
<b>(Unsecured and considered good)</b>			
Advances for goods and supplies - Overseas (#)	3,333,202	3,333,202	3,333,202
Advance Income Tax (Net of Provisions)	14,141,624	14,765,496	12,030,090
Others Non Current Assets-Overseas (#)	103,273,416	103,273,416	103,273,416
<b>Total</b>	<b>120,748,242</b>	<b>121,372,114</b>	<b>118,636,708</b>

Notes:

All the above loans and advances have been given for business purposes  
Loans, Advances and deposits shown above, fall under the category of 'Non-Current Assets-Others ' are re-payable within 3 to 5 years.

### Notes:(#)

#### **Advances for goods and Supplies Overseas and Other Non Current Assets-Overseas**

(a) There is likelihood of delay in realization of claims and mobilization of the assets situated at Iraq in view of understanding reached between the Government of Iraq & India.

(b) The value of the Company's assets & claims situated in Iraq aggregate to Rs.10,66,06,618/- Valued at rate as on

(c) In respect of principal & interest receivable for projects in Iraq covered under Indo-Iraq Govt. to Govt. Deferred Payment Arrangements (DPA), Government of India under notification has issued Bonds in lieu thereof. Issue of Bonds to the Company is pending due to disputes under Deferred Payments Agreement (DPA).

(d) The Company has valued its Non current Assets\_overseas in Foreign Currency at the rate prevailing as on 30.06.19

at least equal to the amount at which these are stated at least equal to the amount at which these are stated, subject to Note above.

9) Inventories

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	₹	₹	₹
<b>(Valued at lower of cost or Net Realisable Value)</b>			
Work in Progress (Ambili Project)	174,261,944	163,010,454	148,373,538
Stores & Spares	700,000	2,079,310	2,079,310
<b>Total</b>	<b>174,961,944</b>	<b>165,089,764</b>	<b>150,452,848</b>

**Note**

(a) Inventories are taken, valued and certified by the Management

10) Trade Receivables

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	₹	₹	₹
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for</b>			
Unsecured, considered good	19,709,362	10,752,496	7,516,017
<b>Other receivables</b>			
Unsecured, considered good	370,000	-	-
<b>Total</b>	<b>20,079,362</b>	<b>10,752,496</b>	<b>7,516,017</b>

11) Cash and Cash Equivalents

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	₹	₹	₹
Cash on Hand	101,242	28,168	15,556
Balance with bank	3,473,657	6,435,735	455,071
<b>Total</b>	<b>3,574,899</b>	<b>6,463,903</b>	<b>470,627</b>

12) Other Current Assets

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	₹	₹	₹
<b>(Unsecured and considered good)</b>			
Others (#)	1,685,281	3,613,421	1,060,235
<b>Total</b>	<b>1,685,281</b>	<b>3,613,421</b>	<b>1,060,235</b>

(#) Includes other receivables & claims.

### 13) Share Capital

Share Capital	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	₹	Number	₹	Number	₹
<b>Authorised</b>						
Equity Shares of ₹100/- each with voting rights	180,000	18,000,000	180,000	18,000,000	180,000	18,000,000
	180,000	18,000,000	180,000	18,000,000	180,000	18,000,000
<b>Issued, Subscribed &amp; Paid up</b>						
Equity Shares of ₹100/- each with voting rights	161,250	16,125,000	161,250	16,125,000	161,250	16,125,000
<b>Total</b>	<b>161,250</b>	<b>16,125,000</b>	<b>161,250</b>	<b>16,125,000</b>	<b>161,250</b>	<b>16,125,000</b>

#### Reconciliation of Number of Equity Shares

Particulars	Equity Shares		Equity Shares		Equity Shares	
	Number	₹	Number	₹	Number	₹
Shares outstanding at the beginning of the year	161,250	16,125,000	161,250	16,125,000	161,250	16,125,000
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	161,250	16,125,000	161,250	16,125,000	161,250	16,125,000

#### Note:

- 1650 Equity shares out of the issued, subscribed and paid up share capital were allotted in part payment of Purchase of capital goods consideration.
- 1250 Equity shares out of the issued, subscribed and paid up share capital were allotted in consideration for giving Equivalent Foreign Exchange for purchase of Capital goods.
- The company does not have any holding company. The company does not have any Subsidiaries and Associated companies.

#### Terms/Rights attached to Equity Shares

The Company has only one class of Equity shares having par value of ₹.100 per shares. Each shareholders of equity shares is entitled to one vote per share.

In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their share holding.

#### Details of Share Holders holding more than 5% Equity shares in the company at the end of the Year.

Name of Shareholders	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1) Mr.Hemang J Shah	15688	9.73	15688	9.73	15688	9.73
2) Mr. Sanjay D.Shah	15670	9.72	15670	9.72	15670	9.72
3) Mrs. Shantaben D.Shah	31004	19.23	31004	19.23	31004	19.23
4) Mrs. Heena Sanjay Shah	12608	7.82	12608	7.82	12608	7.82
5) Smt.Kanan H Shah	13060	8.10	13060	8.10	13060	8.10
6) Smt.Jayawanti J Shah	30706	19.04	30706	19.04	30706	19.04

**14) Other Equity**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	₹	₹	₹
<b>A. Capital Reserve</b>			
As per Last Balance Sheet	3,645,300	3,645,300	-
Closing Balance	3,645,300	3,645,300	3,645,300
<b>B. Revaluation Reserve</b>			
As per Last Balance Sheet	62,051,925	62,051,925	-
Closing Balance	62,051,925	62,051,925	62,051,925
<b>C. General Reserve</b>			
As per Last Balance Sheet	6,312,746	6,312,746	-
Closing Balance	6,312,746	6,312,746	6,312,746
<b>D. Retain Earning</b>			
As per Last Balance Sheet	(705,938,288)	(668,013,840)	(503,381,671)
Re-measurement/adjustments on 1st April,2016	-	-	(164,632,169)
Add: Net Profit/(loss) For the Year	(36,765,661)	(37,924,448)	-
Closing Balance	(742,703,949)	(705,938,288)	(668,013,840)
<b>Total</b>	<b>(670,693,978)</b>	<b>(633,928,317)</b>	<b>(596,003,869)</b>

**15) Non Current Liability-Financial Liability**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	₹	₹	₹
<b>BORROWINGS</b>			
<b>Unsecured</b>			
7% Cumulative Redeemable preference Shares of ₹100/-	482,000,000	482,000,000	482,000,000
Trade/Security Deposit received	460,000	3,139,567	2,934,209
<b>Total</b>	<b>482,460,000</b>	<b>485,139,567</b>	<b>484,934,209</b>

**Terms/Rights attached to Preference Shares**

The Preference Shares are redeemable. The Face value of the preference shares is Rs.100/-. These shares carry a fixed cummulative dividend of 7%p.a. 7% dividend shall be payable in the each financial year beginning from the 2011-12 in event of company making profit. In the event of loss or inadequacy of profit in any financial year no dividend shall be paid, However dividend remaining unpaid for those years shall be carried forward. The preference shares shall be redeemable in terms of companies Act1956 after 7 Years from the date of allotment being 14th May,2011 and shall be redeemable on 14th May,2018 on or before 7 years as may be agreed by passing resolution at meeting of the preference share holders as may be required.

**16) Other Non Current Liability**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	₹	₹	₹
Advance received against sale of assets (Refer Note No:6)	2,394,000	2,394,000	2,394,000
Advance rent received	88,644	301,390	514,135
Advance received-Overseas (#)	8,250,076	8,250,076	8,250,076
Trade payable -Overseas (#)	16,617,340	16,617,340	16,617,340
<b>Total</b>	<b>27,350,059</b>	<b>27,562,805</b>	<b>27,775,550</b>

**Note**

(#) The Company has valued its Non current liability overseas in Foreign Currency at the rate prevailing as on 30.06.1984. refer note (8) above for further reference.

**17) Current Liability-Financial Liability**

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Borrowings</b>			
<b>Unsecured :</b>			
Inter-corporate Deposits	386,325,933	357,194,442	331,251,686
<b>Total</b>	<b>386,325,933</b>	<b>357,194,442</b>	<b>331,251,686</b>

**Note**

Repayable on demand with/ without interest wherever applicable.

**18) Trade Payables**

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
Payable for Goods & Services	4,806,069	9,641,627	10,607,804
<b>Total</b>	<b>4,806,069</b>	<b>9,641,627</b>	<b>10,607,804</b>

The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 . Hence disclosure, if any, relating to amount unpaid as at year end together with interest paid/payable as required under the said Act is not been made. This has been relied upon by the Auditors.

**19) Other Current- Financial Liability**

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Unsecured:</b>			
Trade/Security deposit received (#)	7,901,969	8,000,000	3,000,000
Interest accrued on Preference shares	232,123,825	198,383,825	164,643,825
<b>Total</b>	<b>240,025,794</b>	<b>206,383,825</b>	<b>167,643,825</b>

(#) Interest free Deposit and advances received for Business purpose.

**20) Other Current Liability**

<b>Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
Statutory dues	3,785,747	4,458,671	1,599,443
<b>Total</b>	<b>3,785,747</b>	<b>4,458,671</b>	<b>1,599,443</b>

There are No amounts due for payment to the investor education and protection fund under section 125 of the Companies Act,2013 as at the year end.

**21) Revenue from Operation**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>₹</b>	<b>₹</b>
<b>Sales and service revenue</b>		
Miscellaneous work	-	250,000
<b>Other Operating Revenue</b>		
Display Charges Received (Hoarding)	40,056,357	34,379,300
Rent Received	8,880,000	9,305,000
Venue Charges Received	6,299,746	5,400,870
<b>Total</b>	<b>55,236,103</b>	<b>49,335,170</b>

**22) Other Income**

Particulars	2017-18	2016-17
	₹	₹
<b>Interest income comprises:</b>		
Other Interest	-	11,309
Interest in IT refund	3,674,925	44,140
	3,674,925	55,449
Advances/Deposit Written back	3,000,114	-
Scrap sale	1,700	382,500
Other Income	270,154	217,473
<b>Total</b>	<b>6,946,893</b>	<b>655,422</b>

**23) Project Expenses (#)**

Particulars	2017-18	2016-17
	₹	₹
Building Material Purchased	17,093	3,590,086
Civil Work & Labour Charges	933,711	1,317,237
Excavation Work	235,027	639,460
Electricity Charges	450,700	337,340
Professional Charges	7,737,271	8,503,866
Administrative Charges & other Site Expenses	1,235,426	248,927
Interest paid (Refer note no.27)	642,261	-
<b>Total</b>	<b>11,251,489</b>	<b>14,636,916</b>

(#) All the Project Expenses are capitalised to construction work in Progress Account.

**24) Cost of Materials Consumed**

Particulars	2017-18	2016-17
	₹	₹
Opening Stock	-	-
Add: Purchase	-	193,900
Less: Closing Stock	-	-
<b>Total</b>	<b>-</b>	<b>193,900</b>

Particulars	2017-18	2016-17
	₹	₹
<b>comprised of:</b>		
Others	-	193,900
<b>Total</b>	<b>-</b>	<b>193,900</b>

**25) Changes in Inventories of Finished Goods, Work In Progress and Stock in Trade**

Particulars	2017-18	2016-17
	₹	₹
<b>Inventories at the end of the Year:</b>		
(a) Stores & Spares	700,000	2,079,310
(b) Construction Work-in-Progress	174,261,944	163,010,454
	174,961,944	165,089,764
<b>Inventories at the Beginning of the Year:</b>		
(a) Stores & Spares	2,079,310	2,079,310
(b) Construction Work-in-Progress	163,010,454	148,373,538
	165,089,764	150,452,848
<b>Decrease/(Increase) in stocks</b>	<b>(9,872,179)</b>	<b>(14,636,916)</b>

**26) Employee Benefits Expenses**

Particulars	2017-18	2016-17
	₹	₹
Salary, Wages, Bonus & other allowances etc.	3,991,672	4,176,042
Contribution to Provident Fund and other fund	456,014	106,486
Workmen and Staff welfare expenses	287,760	374,117
<b>Total</b>	<b>4,735,446</b>	<b>4,656,645</b>

**Note:**

The company does not have any retirement benefit plans and the same is accounted on payment basis.

**27) Finance Cost**

Particulars	2017-18	2016-17
	₹	₹
Interest & other borrowing cost on Borrowings from banks and others	56,058,504	52,948,421
Other Interest	67,952	54,230
	56,126,456	53,002,651
Less : Transferred to Project Expenses	642,261	-
<b>Total</b>	<b>55,484,195</b>	<b>53,002,651</b>

**28) Other Expenses:**

Particulars	2017-18	2016-17
	₹	₹
Power & Fuel	2,194,063	2,202,540
Insurance	49,977	60,889
Audit Fees	200,000	100,000
Rent	1,728,715	1,232,210
Rates & Taxes	21,570,447	17,735,422
Communication Expenses	102,299	115,449
Legal & Professional Fees	6,244,379	1,903,935
Repairs & Maintainance -Building	4,043	46,043
Repairs & Maintainance -Plant & Machinery	578,178	563,339
Repairs & Maintenance - Others	520,469	787,232
Travelling, Conveyance & Motor Car Expenses	508,417	455,670
Miscellaneous Expenses (*)	1,641,339	2,688,818
<b>Total</b>	<b>35,342,326</b>	<b>27,891,546</b>

(\*) includes Donation of Rs. 202000/-

**29) Earning per share**

Particulars	2017-18	2016-17
	₹	₹
Net Profit/(Loss) after tax	(36,765,661)	(37,924,448)
Weighted average No. of Shares	161,250	161,250
Nominal value per Share	10	100
Earnings per Share	(228.00)	(235.19)
Diluted Earnings per Share	(228.00)	(235.19)

**30) Contingent Liabilities and commitments:**

Particulars	2017-18	2016-17
	₹	₹
<b>Contingent Liabilities:</b>		
Guarantees furnished by Bank on behalf of the company to MCGM	24,257,000	24,257,000
Disputed demand relating to tax against which the company has preferred appeal. (#)	4,985,865	4,985,865
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and Not provided for in relation to tangible Assets	4,000,000	-
(#) All disputed Tax demand was adjusted from refund due of subsequent years. Further based on the opinion and advice received, disputed demand is likely to be vacated in appeals filed by the company to higher appellate authorities.		

31) Provision for accruing of liabilities for gratuity in terms of ind AS 19 "Employee Benefits" issued by The Institute of Chartered Accounts of India has not been made in the accounts. The figure of which is not ascertainable.

**32) Related Party Transactions**

Related party disclosure in accordance with the Accounting Standard 18-issued by the Institute of chartered

NAME OF THE RELATED PARTY	RELATIONSHIP
<ul style="list-style-type: none"> <li>- Shri Dinesh K.Poddar</li> <li>- Shri Mehul J. Shah</li> <li>- Shri Sanjay D.Shah</li> </ul>	<ul style="list-style-type: none"> <li>Key Managerial Personnel (KMP)</li> <li>Key Managerial Personnel (KMP)</li> <li>Key Managerial Personnel (KMP)</li> </ul>
Entities under direct or Indirect control or substantial Influence	
<ul style="list-style-type: none"> <li>Anchor Daewoo Industris Limited</li> <li>Anchor Leasing Pvt.Ltd.</li> <li>Barindra Overseas Pvt.Ltd.</li> <li>Classic Electricals Limited</li> <li>Real Value Leasing Pvt.Ltd.</li> <li>Poddar Print Pvt.Ltd.</li> <li>Enicar Enterprises</li> <li>Java Tradevest Limited</li> <li>DRM Corporation</li> <li>DRM Motors</li> <li>Anchor Enterprises Pvt.ltd.</li> <li>Suvidha Vitran Pvt.Ltd.</li> <li>Good Value financial services pvt.ltd.</li> </ul>	Entities under direct or Indirect control or substantial Influence

Note: related party relationship is as identified by the company and relied upon by the auditor.



Nature of Transaction	Opening Balance	Loan Taken	Interest paid/Credited	repayment	TDS	(in ₹)
						Closing Balance
<b>Loan Taken</b>						
Anchor Daewoo Industris Limited	145,233,773	-	-	-	-	145,233,773
Anchor Leasing Pvt.Ltd.	49,215,102	9,645,000	4,414,313	4,700,000	441,431	58,132,984
Barindra Overseas Pvt.Ltd.	12,507,715	-	-	-	-	12,507,715
Classic Electricals Limited	24,937,583	-	1,995,007	-	199,501	26,733,089
Real Value Leasing Pvt.Ltd.	100,258,109	10,360,000	12,681,722	6,060,000	1,268,172	115,971,659
DRM Motors						-
Poddar Print Pvt.Ltd.						-
Good Value financial services pvt.ltd.	25,042,160	-	3,005,059	-	300,506	27,746,713

Nature of Transaction	DRM Motors	Suvidha Vitran Pvt Ltd	DRM Corporation	Java Tradevest Ltd	Anchor Enterprises Pvt Ltd
Rent Income	1,200,000 (Nil)	Nil (1,000,000)	- -	- -	- -
Purchase of Diwali Gift	- -	- -	Nil (14,100)	- -	- -
Paid for Repairs	67,395 (Nil)	Nil (36,351)	- -	- (21,500)	- (135,281)
Purchase of Fixed Assets	- -	- -	- -	22,000 (Nil)	- -

**33) Imports (Valued on the Cost, Insurance and Freight)**

Particulars	2017-18	2016-17
	₹	₹
CIF value of Imports	-	-

**34) Activity in Foreign Currency**

Particulars	2017-18	2016-17
	₹	₹
Earnings in Foreign currency	Nil	Nil
Expenditure in Foreign currency	5,669,525	8,448,648

**35) Remittance in Foreign currency**

Particulars	2017-18	2016-17
	₹	₹
For payment of Dividend	Nil	Nil

**36) FOB value of goods exported**

Particulars	2017-18	2016-17
	₹	₹
FOB value of goods exported	Nil	Nil

**37) FIRST TIME IND AS ADOPTION RECONCILIATIONS****Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2017**

PARTICULARS	Year ended 31st March, 2017		
	Previous GAAP	Effect of transition to IND AS	As per Ind AS
<b>INCOME</b>			
Revenue from Operations	49,335,170	-	49,335,170
Other Income	442,677	212,745	655,422
<b>TOTAL INCOME</b>	<b>49,777,847</b>	<b>212,745</b>	<b>49,990,592</b>
<b>EXPENSES</b>			
Project Expenses	14,636,916	-	14,636,916
Cost of Materials consumed	193,900	-	193,900
Change in Inventories of Finished goods, Work in Progress	(14,636,916)	-	(14,636,916)
Employee benefits expense	4,656,645	-	4,656,645
Finance costs	19,057,293	33,945,358	53,002,651
Depreciation/ Amortization and Depletion expense	2,170,299	-	2,170,299
Other expenses	27,891,546	-	27,891,546
<b>TOTAL EXPENSES</b>	<b>53,969,682</b>	<b>33,945,358</b>	<b>87,915,040</b>
Profit/(Loss) before tax	(4,191,835)	(33,732,613)	(37,924,448)
Tax expense:			
(1) Current tax	-	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>(4,191,835)</b>	<b>(33,732,613)</b>	<b>(37,924,448)</b>

**Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2017 and 1st April, 2016**

PARTICULARS	As at 31st March,2017				As at 1st April,2016		
	Previous GAAP	Effect of transition to IND AS(classification)	Effect of transition to IND AS(measurement)	As per Ind AS	Previous GAAP	Effect of transition to IND AS	As per Ind AS
<b>ASSETS</b>							
<b>Non Current Assets</b>							
Property Plant and Equipment	162,527,348	-	-	162,527,348	163,836,701	0	163,836,701
Capital Work in Progress				-			-
Financial Assets				-			-
(a) Loans & Advances	56,595,106	(53,836,531)	-	2,758,575	50,508,452	(48,547,939)	1,960,513
Other non currrent assets	40,646,750	80,725,364	-	121,372,114	40,640,175	77,996,533	118,636,708
<b>Total Non Current Assets</b>	259,769,204	26,888,833	-	286,658,037	254,985,328	29,448,594	284,433,922
<b>Current Assets</b>							
Inventories	194,029,898	(28,940,134)		165,089,764	179,392,982	(28,940,134)	150,452,848
Financial assets				-			-
(a) Trade receivables	10,737,496	15,000		10,752,496	7,507,592	8,425	7,516,017
(b) Cash and cash equivalents	8,041,023	(1,577,121)		6,463,903	2,047,748	(1,577,121)	470,627
Other Current Assets		3,613,421		3,613,421		1,060,235	1,060,235
<b>Total Current Assets</b>	212,808,417	(26,888,833)	-	185,919,584	188,948,321	(29,448,594)	159,499,727
<b>TOTAL ASSETS</b>	472,577,620	-	-	472,577,620	443,933,648	-	443,933,649
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share Capital	498,125,000	(482,000,000)		16,125,000	498,125,000	(482,000,000)	16,125,000
Other Equity	(435,563,535)	-	(198,364,782)	(633,928,316)	(431,371,699)	(164,632,169)	(596,003,868)
<b>Total Equity</b>	62,561,465	(482,000,000)	(198,364,782)	(617,803,316)	66,753,301	(646,632,169)	(579,878,868)
<b>Liabilities</b>							
<b>Non Current Liabilities</b>							
Financial liabilities							
(a) Borrowings	379298517.9	106,161,482	(320,433)	485,139,567	348,355,762	136,578,447	484,934,209
(b) Other Non current liabilities	16617339.57	10,644,076	301,390	27,562,805	16,617,340	11,158,211	27,775,550
<b>Total Non Current Liabilities</b>	395,915,857	116,805,558	(19,043)	512,702,372	364,973,101	147,736,658	512,709,759
<b>Current liabilities</b>							
Financial liabilities							
(a)Borrowings		365,194,442	(8,000,000)	357,194,442		331251686	331,251,686
(b)Trade Payables	8,731,307		910,319	9,641,626	10,187,497	420307	10,607,804
(c) Other Financial Libilty			206,383,825	206,383,825		167,643,825	167,643,825
Other Current liabilities	5368990		(910,319)	4,458,671	2,019,750	-420307	1,599,443
<b>Total Current Liabilities</b>	14,100,297	365,194,442	198,383,825	577,678,564	12,207,247	498,895,511	511,102,758
<b>Total Liabilities</b>	410,016,155	482,000,000	198,364,782	1,090,380,937	377,180,349	646,632,169	1,023,812,518
<b>TOTAL EQUITY AND LIABILITIES</b>	472,577,620	-	0	472,577,620	443,933,648	-	443,933,649

- 38)** Balances in respect of Trade receivables, Loans & advances and Liabilities in most of the cases are subject to confirmations, reconciliations and adjustments, if any.
- 39)** In view of carried forward Business loss and unabsorbed depreciation, provision for tyaxation is not made in the
- 40)** In the opinion of the management, Loans & Advances and trade receivables have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the books of accounts.
- 41)** The previous year's figures have been regrouped & recast wherever necessary to make them comparable.
- 42)** As the Company does not fulfill the criteria specified in section 135 of the companies Act read with rule 3 of the Companies (Corporate Social Responsibility Policy) Rule,2014 ('CSR Rules')for three consecutive Financial Years, CSR
- 43)** The operation of the Company represents wholly one segment of activity relating to construction. Accordingly all company's assets and liabilities relate to this activity only.
- 44)** In accordance with the Ind AS 12 "Income Taxes" issued by the Institute of Chartered Accountants of India Deferred tax assets and liabilities should be recognised for all timing difference in accordance with the said standard. However considering the present financial position and the requirement of the accounting standard regarding certainty/virtual certainty the same is not provided for as an asset (Net). However the same will be reassessed at a subsequent balance sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid accounting standard.
- 45)** Computation of Net Profit under Section 197 of the Companies Act has not been given as no remuneration is paid to Directors.

**As per our report of even date**

For **A.C.MODI & ASSOCIATES**  
*Chartered Accountants*  
Firm's registration number: 116555W

**ALPESH C. MODI**  
*Proprietor*  
Membership number: 101342

**Place : Mumbai**  
**Date: 25th May,2018**

**For and on behalf of the Board of Directors**

**Mehul J. Shah**  
Chairman & Manging Director

**Dinesh K. Poddar**  
Director

**Sanjay D. Shah**  
Director

**SHAH CONSTRUCTION COMPANY LIMITED**

Annual Report 2017-18

Registered Office: 11, Shah Industrial Estate, Opp Anna Temple, New Link Road, Andheri (West), Mumbai 400053. Email : sccindia@yahoo.co.in

Phone:02266920678

**PROXY FORM**

**Form No. MGT-11**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN : U45202MH1949PLC007048

Name of the Company : SHAH CONSTRUCTION COMPANY LTD

Registered address : 11, Shah Industrial Estate, Opp Anna Temple, New Link Road, Andheri (West) Mumbai 400053.

Name of the member (s) :

Registered address :

E-mail ID :

Folio No./Client ID/DP ID :

I/We, \_\_\_\_\_ of \_\_\_\_\_ being the member(s) of SHAH CONSTRUCTION COMPANY LTD. hereby appoint the following as my/our proxy to attend vote(for me/us) on my/our behalf at the Annual General Meeting of the company to be held on Saturday 29<sup>th</sup> September, 2018 at 11.00 A.M at Sabroso The Premium banquet, 601-603A, Kotia Nirman, New Link Rd, Andheri (West), Mumbai – 400053 Maharashtra 400093 and at any adjournment thereof in respect of such resolutions as are indicated below:

Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

or failing him

Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

Or failing him

Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

Or failing him

\* I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

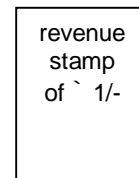
Sl.N o.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	Adoption of audited Financial		

	Statements for the financial year ended March 31, 2018 and reports of the Board of Directors and the Auditors thereon		
2.	Re-appointment of Mr.Dinesh Keshardeo Poddar who retires by rotation		

\* This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the “For” or “Against” columns blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write “Abstain” across the boxes against the Resolution.

Signature (s) of Member(s)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_



Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

**Notes:**

1. The Proxy to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns “For” or “Against” as appropriate.

**SHAH CONSTRUCTION COMPANY LIMITED**

**CIN : U45202MH1949PLC007048**

Registered Office:11, Shah Industrial Estate, Opp Anna Temple,  
New Link Road, Andheri (West) Mumbai 400053

E-mail:sccindia@yahoo.co.in

**Tel: 91-22-66920678**

**BALLOT FORM**  
**(In lieu of E-voting)**

1. Name :  
Registered Address  
Of the sole/first named Shareholder :
2. Name(s) of the Joint Shareholder(s) :  
if any
3. Registered Folio/DPID & Client ID No. :
4. No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of the 70th Annual General Meeting of the Company to be held on 29<sup>th</sup> September, 2018 by convening my/our assent or dissent to the said Resolution(s) by placing the tick (√) mark at the appropriate box below.

<b>Item No.</b>	<b>Description</b>	<b>No. of Equity shares</b>	<b>I/We assent to the resolution (For)</b>	<b>I/We dissent to the resolution (Against)</b>
	<b>Ordinary Business</b>			
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2018 and reports of the Board of Directors and the Auditors thereon			
2.	Re-appointment of Mr.Dinesh Keshadeo Poddar who retires by rotation			

Place: \_\_\_\_\_

Date : \_\_\_\_\_

\_\_\_\_\_  
Signature of Shareholder

NOTE: Kindly read the instructions printed overleaf before filing the form.

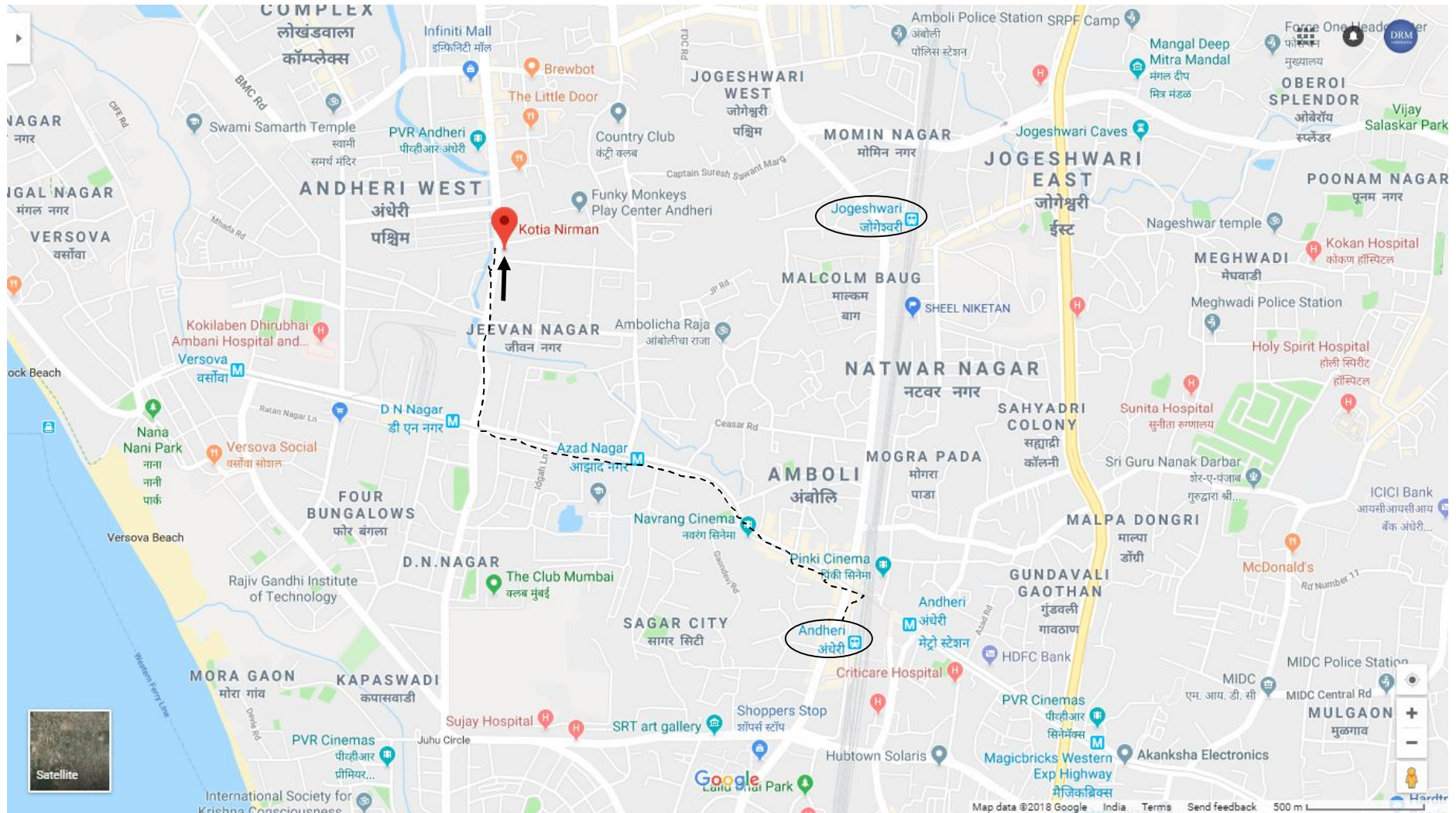
## INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Company.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. The right of voting by Ballot Form shall not be exercised by a proxy.
5. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.
6. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
7. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
8. Instructions for the e-voting procedure are available in the Notice of the Annual General Meeting and are also placed on the website of the Company.

\*\*\*\*\*



## Road Map to Reach Meeting Place



## BOOK POST

To

If Undelivered please return to:  
**SHAH CONSTRUCTION COMPANY LIMITED**  
11, Shah industrial Estate, New Link Road,  
Opp. Anna Temple, Andheri (W),  
Mumbai – 400 053.  
Tel. : +91 22 66920678/79  
Email : [scclindia@yahoo.co.in](mailto:scclindia@yahoo.co.in)  
Website : [www.shah-construction.in](http://www.shah-construction.in)