



## **N K BAJAJ AND ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**C-72, SADUL GANJ, BIKANER**

**CONTACT NO : 09468953101**

**E mail : nkabajajandassociatesbkn@gmail.com**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF TROPICANA HEIGHTS LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **TROPICANA HEIGHTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and the Cash Flow Statement for the period from March 25, 2015, being date of incorporation of the Company, to March 31, 2016, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

#### **Opinion**

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order" or "CARO 2015") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.





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2. As required by section 143(3) of the Act, we report that:
- 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;
  - in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act; and
  - with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - the Company has disclosed the impact of pending litigations, if any, on its financial position in its financial statements - Refer Note 10 to the financial statements;
    - the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - There has been no delay in transferring amounts, if any required to be transferred, to the Investor Education and Protection Fund by the Company.

For N K Bajaj & Associates

Chartered Accountants

Firm Registration No. 015844C



*Nand Kishore Bajaj*

**Nand Kishore Bajaj**  
Proprietor

Membership No.: 413300

Place: Kolkata

Date: May 12, 2016



## **N K BAJAJ AND ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**C-72, SADUL GANJ, BIKANER**

**CONTACT NO : 09468953101**

**E mail : nkbajajandassociatesbkn@gmail.com**

### **Annexure to Auditors' Report**

The Annexure referred to in our Independent Auditor's report to the members of **Tropicana Heights Limited** ('the Company') on the financial statements for the year ended 31<sup>st</sup> March 2016, we report that:

- i. The Company doesn't have any fixed assets during the year, and reporting on hence clause (i) of paragraph 3 of the CARO 2015 is not applicable.
- ii. The Company did not have any inventories during the year, and hence clause (ii) of paragraph 3 of the CARO 2015 is not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, hence clause (iii) of paragraph 3 of the CARO 2015 is not applicable.
- iv. In our opinion and accordance to the information and explanation given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system.
- v. The company has not accepted deposits hence clause (v) of paragraph 3 of the CARO 2015 is not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013.
- vii. (a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities.  
(b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess outstanding as at 31<sup>st</sup> March, 2016, which are outstanding for a period of more than six months from the date they became payable.  
(c) According to the information and explanation given to us, there are no dues outstanding of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute.  
(d) According to the information and explanation given to us, there are no amounts that are due to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- viii. The Company is registered for a period of less than five years, and hence reporting on clause (viii) of paragraph 3 of the CARO 2015 is not applicable.
- ix. In our opinion and according to the information and explanation given to us, the Company did not have any outstanding dues to any financial institution, bank or debentures holders.
- x. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. There are no term loans outstanding as at the end of the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For N K Bajaj & Associates  
Chartered Accountants  
Firm Registration No. 015844C



*Nand Kishore Bajaj*

**Nand Kishore Bajaj**  
Proprietor

Membership No.: 413300

Place: Kolkata

Date: May 12, 2016

# TROPICANA HEIGHTS LIMITED

## BALANCE SHEET AS AT MARCH 31, 2016

	Note No.		As at March 31, 2016 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	500000.00	
Reserves and surplus	3	<u>(36009.00)</u>	<b>463991.00</b>
<b>Current liabilities</b>			
Other current liabilities	4		5725.00
<b>TOTAL</b>			<b><u>469716.00</u></b>
<b>II. ASSETS</b>			
<b>Non current assets</b>			
Non-current investments	5		400000.00
<b>Current assets</b>			
Cash and cash equivalents	6		69716.00
<b>TOTAL</b>			<b><u>469716.00</u></b>
Significant accounting policies	1		

In terms of our report of the even date annexed hereto:

**For N K BAJAJ & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015844C

**For TROPICANA HEIGHTS LIMITED**

*Samar Kumar*  
Director

**For TROPICANA HEIGHTS LIMITED**

*Kali Charan Laha*  
Director

*Nand Kishore Bajaj*  
**Nand Kishore Bajaj**  
Proprietor  
Membership No. 413300  
Place: Kolkata  
Date: May 12, 2016



Director

Director

# TROPICANA HEIGHTS LIMITED

## PROFIT AND LOSS STATEMENT FOR THE PERIOD FROM MARCH 25, 2015 TO MARCH 31, 2016

	Note No.	Period ended March 31, 2016 ₹
Revenue from operations		-
<b>Total Revenue</b>		<b>-</b>
<b>Expenses:</b>		
Other expenses	7	36009.00
<b>Total Expenses</b>		<b>36009.00</b>
<b>Profit/(loss) before tax</b>		<b>(36009.00)</b>
Tax expense :- Current tax		-
<b>Profit/(loss) after tax for the year</b>		<b>(36009.00)</b>
Earnings per equity share: Basic and Diluted	8	(0.72)
Weighted average number of shares (face value of ₹10 each)		50000
Significant accounting policies	1	

In terms of our report of the even date annexed hereto:

**For N K BAJAJ & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015844C

**For TROPICANA HEIGHTS LIMITED**

**For TROPICANA HEIGHTS LIMITED**

**For TROPICANA HEIGHTS LIMITED**

*Nand Kishore Bajaj*

Nand Kishore Bajaj  
Proprietor  
Membership No. 41330  
Place: Kolkata  
Date: May 12, 2016



*Samar Kumar*  
Director

Director

*Heali Charam Chakraborty*  
Director

Director

# TROPICANA HEIGHTS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	Period ended March 31, 2016
	₹
<b><u>I. Cash flow from Operating Activities</u></b>	
Net profit/(loss) before tax	(36009.00)
Cash flow before working capital changes	(36009.00)
Other current liabilities	5725.00
Cash flow from operating activities before taxes paid	(30284.00)
Less: Taxes paid	-
<b>Net cash provided by operating activities</b>	<b>(30284.00)</b>
<b><u>II. Cash flow from Investing Activities</u></b>	
Purchase of investments	(400000.00)
<b>Net cash provided by/(used in) investing activities</b>	<b>(400000.00)</b>
<b><u>III. Cash flow from Financing Activities</u></b>	
Proceeds from issue of equity shares	500000.00
<b>Net cash provided by financing activities</b>	<b>500000.00</b>
Net increase/(decrease) in cash flows (I + II + III)	<b>69716.00</b>
Cash and cash equivalents at the end of the year	<b>69716.00</b>

Significant accounting policies 1

In terms of our report of the even date annexed hereto:

**For N K BAJAJ & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 015844C

**For TROPICANA HEIGHTS LIMITED**

**For TROPICANA HEIGHTS LIMITED**

**For TROPICANA HEIGHTS LIMITED**  
*Kali Chaman Lal*  
Director

*Nand Kishore Bajaj*  
**Nand Kishore Bajaj**  
Proprietor  
Membership No. 4133  
Place: Kolkata  
Date: May 12, 2016



*Soumen Kumar*  
**Director**

Director

Director

# TROPICANA HEIGHTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016

### 1. Significant accounting policies

#### a. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

#### b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### c. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

#### d. Income taxes

Income taxes comprise current tax, deferred tax. Current taxes are accrued for on the basis of tax payable to tax authorities in accordance with the Income Tax Act 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### e. Earnings per share

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

#### f. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### g. Contingent liabilities

Contingent liabilities are not recognised but are disclosed in the notes.

### 2. Share capital

	March 31, 2016
	₹
<b>Authorised:</b>	
50000 equity shares of ₹10/- each	500000.00
	500000.00
<b>Issued, subscribed and paid up:</b>	
50000 equity shares of ₹10/- each, fully paid up	500000.00
	500000.00

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

	March 31, 2016	
	No.	₹
<b>Equity shares</b>		
Capital raised during the year	50000	500000.00
Closing balance	50000	500000.00



# TROPICANA HEIGHTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016

**b. Terms/rights attached to equity shares**

The company has only one class of shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

**c. Shares held by holding company**

	March 31, 2016	
	No.	%
Kwality Credit and Leasing Ltd, the holding Company (including held through its nominees)	50000	100.00

**d. Details of shareholders holding more than 5% shares in the Company**

Kwality Credit and Leasing Ltd, (including held through its nominees)	50000	100.00
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As per records of the Company, including its register of shareholder/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**3. Reserves and surplus**

	March 31, 2016
	₹
<b>Surplus/(deficit)</b>	
Loss for the year	(36009.00)
	<u>(36009.00)</u>

**4. Other current liabilities**

Liability for expenses	5725.00
	<u>5725.00</u>

**5. Non-current investments**

<u>Trade Investments</u>		
<u>Fully paid up equity shares of ₹10/- each (Unquoted)</u>		<u>No. of shares</u>
Fastner Machinery Dealers Ltd	800	400000.00
		<u>400000.00</u>
Book value of unquoted Investments		400000.00

**6. Cash and cash equivalents**

<u>Balance with bank</u>		
In current account		10886.00
Cash on hand		58830.00
		<u>69716.00</u>

**7. Other expenses**

Bank charges	114.00
Preliminary expenses written off	23970.00
Consultancy fees	3000.00
Miscellaneous expenses	3200.00
Payment to auditors: Audit fees	5725.00
	<u>36009.00</u>

**8. Earning per share (EPS)**

Net profit after tax attributable to equity shareholders (in ₹)	(36009.00)
Weighted average no. of equity shares outstanding	50000
Basic and diluted earning per share of ₹10/- each	<u>(0.72)</u>





# TROPICANA HEIGHTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016

### 9. Related party disclosures

Names of related parties and related parties relationship

Key Management Personnel

Holding Company

a) Mr. Kali Charan Laha

Kwality Credit and Leasing Ltd.

b) Mr. Sourav Kumar

There were no transactions made with the related parties during the financial year.

### 10. Contingent liabilities:- ₹Nil

### 11. Disclosures pursuant to section 186 of the Companies Act, 2013

Investment made are given under the respective head.

There were no loan, guarantees or securities given during the financial year.

### 12. The Company was incorporated on 25th March 2015, and this year being its first financial year, comparative year figures are not applicable.

In terms of our report of the even date annexed hereto:

For N K BAJAJ & ASSOCIATES

Chartered Accountants

Firm Registration No. 015844C

*Nand Kishore Bajaj*

Nand Kishore Bajaj  
Proprietor  
Membership No. 41330  
Place: Kolkata  
Date: May 12, 2016



For TROPICANA HEIGHTS LIMITED

For TROPICANA HEIGHTS LIMITED

*Sourav Kumar*

Director

Director

For TROPICANA HEIGHTS LIMITED

*Kali Charan Laha*

Director

Director