

SUNSTAR REALTY DEVELOPMENT LIMITED

ANNUAL REPORT 2016-17

COMPANY'S PROFILE

Board of Directors: Mr. Nitin Kishor Boricha Mr. Yogesh Kumar Rawal Ms. Sonal Jayprakash Bhatt Mr. Vijay Raman K R Mr. Prashant Agarwal		Whole Time Director Independent Director Independent Director Director Company Secretary
Registered Office:		Office No-107, 1st Floor, Rajshila Premises 597 J.S.S. Marg, Princess Street Junction Mumbai-400002, Maharashtra Website: www.sunstarrealtors.com Email Id: info@sunstarrealtors.com
Statutory Auditor:		M/s J V Modi & Co. Chartered Accountants A/202, Badal Apartment, Devchandnagar Bhayandar (W), Thane-401101 Maharashtra
Registrar and Share Transfer Agent:		M/s Skyline Financial Services Private Limited 4A9 Gundecha Onclave, Kherani Road Sakinaka, Mumbai-400072 Ph: 022-62215779/2851 1022 Fax No: 011-2681 2683 Email: mumbai@skylinerta.com
Bankers :		Axis Bank Limited
9TH ANNUAL GENERAL MEETING Day, Date & Time : Venue :		Saturday, September 23, 2017 at 11:00 am P D's Supreme Hospitality Private Limited, Evershine Club, Evershine, Millenium Paradise, Thakur Village, Kandivali (E) Mumbai-400101, Maharashtra
Book Closure:		From Saturday, September 16, 2017 to Saturday, September 23, 2017, (Both Days Inclusive)
Stock Exchanges Where Shares of the Company are Listed:		BSE Limited
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DIRECTOR'S REPORT**TO THE MEMBERS****SUNSTAR REALTY DEVELOPMENT LIMITED**

Your Directors are pleased to present the Ninth (9th) Annual Report together with the Audited Accounts of your Company for the Financial Year ended March 31, 2017. The Financial performance of your Company during the Financial Year ended March 31, 2017, as compared to the previous financial year are summarised below:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Total Income	430.05	748.49
Total Expenditure	417.05	733.15
Profit Before Taxation	13.00	15.34
Tax Expense	4.21	4.74
Profit for the period	8.79	10.60
Brought forward from previous year	164.78	154.18
Surplus carried to Balance Sheet	173.57	164.78

FINANCIAL PERFORMANCE

During the year under review, your Company achieved Total Income of Rs. 430.05 Lakhs. Some of the key highlights of your Company's performance during the year under review are:

- Profit before taxation is Rs. 13.00 Lakhs as against Rs. 15.34 Lakhs in the last year.
- Net profit after taxation is Rs. 8.79 Lakhs as against Rs. 10.60 Lakhs in the last year.

DIVIDEND

The Company has been growing over the last few years. Given the significant weakness in the real estate market over the period, there have been significant business development opportunities available for the Company. With these kinds of opportunities available and with our ambition to considerably scale the business, it is important for the Company to conserve cash. With this objective of investing strongly in new project opportunities, the Board of Directors have therefore not recommended any dividend for the Financial Year ended March 31, 2017.

AMOUNTS PROPOSED TO CARRY TO THE RESERVES

The Company has not transferred any amount out of the profit earned to reserve account during the year under review. The entire profit earned during the year under review is being carried forward under Profit & Loss Account.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments, affecting the financial position of the

SUNSTAR REALTY DEVELOPMENT LIMITED

company which have occurred between the end of the financial year of the company to which the financial year relate and the date of this report.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting record and providing reliable financial information.

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting record and the timely preparation of reliable financial information.

An external independent firm carries out the internal audit of the Company operations and reports its findings to the Audit Committee on a regular basis. Internal Risk and Control function also evaluates organisational risk along with controls required for mitigating those risks. Internal Audit provides assurance on functioning and quality of internal controls along with adequacy and effectiveness through periodic reporting.

The Company has a Code of Business Conduct for all employees and a clearly articulated and internalized delegation of financial authority. These authority levels are periodically reviewed by management and modifications, if any, are submitted to the Audit Committee and Board for approval. The Company also takes prompt action on any violations of the Code of Business Conduct by its employees.

The Audit Committee reviews the effectiveness of the internal control system and also invites senior management personnel to provide updates on operating effectiveness and controls from time to time. A CEO/CFO Certificate signed by the Whole Time Director of the Company confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit Committee. The Audit Committee also reviews the Risk management framework periodically and ensures it is updated and relevant. During the year under review, the Internal Financial Control Audit was carried out by the Statutory Auditors, the Report of which is forming part of this Annual Report.

DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS

i. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules framed there under the term of **M/s J V Modi & Co.**, Chartered Accountants, (Firm Registration No. 137951W), as the Statutory Auditors of the Company will conclude from the close of the ensuing Annual General Meeting of the Company.

The Board places on record its appreciation to the services rendered by **M/s JV Modi & Co**, as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s SDA & Associates, Chartered Accountants (Firm Registration No. 120759W), as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

There is no audit qualification for the year under review.

ii. SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company had appointed Ms. Kavita Raju Joshi, Practicing Company Secretary (Certificate of Practice No. 8893), as the Secretarial Auditor.

The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith as [Annexure-A] to this report.

DETAILS OF SUBSIDIARY/ JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any subsidiary/joint ventures/associate companies.

SHARE CAPITAL

The Authorised Share Capital of your Company stands at Rs. 25,00,00,000/- divided into 25,00,00,000 Equity Shares of Re. 1/- each. At present the Issued, Subscribed and Paid Up Share Capital of your Company is Rs. 23,62,30,000/- divided into 23,62,30,000 Equity Shares of Re. 1/- each, fully paid-up.

MIGRATION FROM BSE SME PLATFORM TO MAIN BOARD

The Company has been listed and traded on the SME Platform for more than four years and hence eligible to migrate on to the Main Board as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of SEBI ICDR Regulations, 2009. Also listing on the Main Board of BSE Limited will take the Company into a different league altogether with enhanced recognition and increased participation by retail investors. Hence the Board of Directors considered the resolution, which was duly passed by shareholders via Postal Ballot, for the migration of the Company from BSE SME platform to the Main Board of BSE Ltd.

Mr. Bhawnesh Bansal, Practicing Company Secretary was appointed as the Scrutinizer for carrying out the Postal Ballot process in a fair and transparent manner. The process of Postal Ballot was successfully completed and the approval of shareholders was taken. The result of Postal Ballot was announced on May 02, 2017.

EXPANSION OF BUSINESS ACTIVITIES

The Company in its quest to expand its activities intends to build technologies around health care and education all of which relate to its core activities of real estate. To accomplish this, the company has entered into a Memorandum of Understanding for the takeover of 100% shares of

SUNSTAR REALTY DEVELOPMENT LIMITED

Quadrant 4 Solutions Private Limited, Chennai (Q4) a company incorporated under Indian laws. Q4 is into business of technology services in the area of health and education. The Board has considered this acquisition and will appoint required agencies to evaluate the options of acquisition and will close the acquisition.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 and the same is annexed herewith as [Annexure-B] to this Report.

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

a) Particulars of Conservation of Energy, Technology Absorption

The Provisions of Section 134(m) of the Act relating to conservation of energy and technology absorption do not apply to this Company as the Company has not carried out any manufacturing activities.

b) Foreign Exchange Earnings and Outgo

During the year under review there was no foreign exchange outgo nor was any foreign exchange earned.

DIRECTOR'S & KEY MANAGERIAL PERSONNEL

Your Company has a duly constituted Board of Directors which is in compliance with the requirements of the Companies Act, 2013, schedules thereto and rules framed there under and provisions of the Articles of Association of the Company.

a) Declaration by Independent Directors

All the Independent Directors have given a declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 read with the rules made there under and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Familiarisation Programme undertaken for Independent Directors

The Independent Directors are familiarised with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The Director is also informed and explained in detail the various compliances required from him/her as a Director under the various provisions of the Companies Act, 2013 & Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of familiarisation programme are available on the website of the Company viz. www.sunstarrealtors.com.

c) Non-Independent Director

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Nitin Kishor Boricha (DIN: 05245737), Director, is liable to retire by rotation and being eligible, offers

himself for re-appointment. The Board recommends his appointment with a view to avail his valuable advices and wise counsel.

A brief profile of the above Director seeking re-appointment required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 will be a part of Notice calling Annual General Meeting of the Company.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in Section 164 (2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

d) **Changes in Directorship/Key Managerial Personnel during the year**

Mr. Nitin Kishor Boricha (DIN: 05245737) was appointed as Whole Time Director of the Company by the Board at their meeting held on December 31, 2016, and further confirmed by the members of the Company via Postal Ballot whose results were declared on May 02, 2017.

Mr. Prashant Agarwal was appointed as Whole Time Secretary and Compliance Officer of the Company by the Board at their meeting held on March 31, 2017.

Ms. Priyanka Sen resigned from the post of Whole Time Secretary and Compliance Officer of the Company with effect from November 14, 2016. The Board places on record its sincere appreciation and gratitude for contributions made by her during her tenure as Whole Time Secretary and Compliance Officer of the Company.

Mr. Manoj Mehrotra (DIN: 07224970) resigned from the post of Managing Director of the Company with effect from December 31, 2016. The Board places on record its sincere appreciation and gratitude for contributions made by him during his tenure as Managing Director of the Company.

The Board has appointed Mr. Vijay Raman K R (DIN: 07803287) & Ms. Lakshmi Chandra (DIN: 07436752) as Additional Directors at their meeting held on April 26, 2017.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

A total of Nine (9) Meetings of the Board of Directors of your Company were held during the year under review. The maximum interval between two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013, and in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of all Board/Committee Meetings are given in the Corporate Governance Report.

COMMITTEES OF THE BOARD

The Company has constituted/re-constituted various Board level committees in accordance with the requirements of Companies Act, 2013. Details of all the Committees along with composition and meetings held during the year under review are provided in the Corporate Governance Report.

AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report. There have been no instances where the Board has not accepted the recommendations of the Audit Committee.

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NOMINATION AND REMUNERATION COMMITTEE

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition and terms of reference of the Stakeholders Relationship Committee has been furnished in the Corporate Governance Report.

DIRECTORS APPOINTMENT & REMUNERATION 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. The details of this policy are explained and annexed herewith as [Annexure- C] to this Report.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Board has adopted a Whistle Blower Policy to maintain highest standards of professionalism, honesty, integrity, ethical behaviour and to provide a vigil mechanism for Directors/Employees to voice concern in a responsible and effective manner regarding unethical matters involving serious malpractice, abuse or wrongdoing within the organisation. The Company affirms that during the year no personnel have been denied access to the Audit Committee. The said policy is available at the website of the Company viz. www.sunstarrealtors.com.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company as an organization is committed to provide a healthy environment to all employees and thus does not tolerate any discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassments complaints received and disposed off during the financial year ended March 31, 2017:

- No. of Complaints received : NIL
- No. of Complaints disposed off : Not Applicable

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has complied with Section 186 of the Companies Act, 2013.

The Company has not given any guarantee or provided security during the year under review.

RELATED PARTY TRANSACTIONS

All transactions entered into during the financial year 2016-17 with Related Parties as defined under the Companies Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transaction referred to in Section 188 of the Companies Act, 2013 with related parties which could be considered material under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC-2 is not applicable.

Necessary disclosures required under the Accounting Standards (AS-18) have been made in the Notes to Financial Statements.

As required under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy which is available at the website of the Company viz. www.sunstarrealtors.com.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES :

A statement containing the details of the Remuneration of Directors, Key Managerial Personnel (KMP) and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as [Annexure-D] to this Report.

The Company have no employee drawing a remuneration of Rs. 60,00,000/- (Rupees Sixty Lakhs) per annum or part thereof in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate section on Corporate Governance practices followed by the Company together with a certificate confirming compliance is annexed herewith as [Annexure-E] to this Report.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as [Annexure-F] to this Report.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The Risk Management framework is reviewed periodically by the Board and the Audit Committee. The Audit Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your Company confirm that:

- i. in the preparation of the Annual Accounts for the financial year ended March 31, 2017, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 (including

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- any statutory modification(s) or re-enactment(s) for the time being in force), have been followed and there are no material departures from the same;
- ii. 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, 2017 and of the profit & loss of the Company for the Financial Year March 31, 2017;
 - iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - iv. the annual accounts have been prepared on a 'going concern' basis;
 - v. proper internal financial controls laid down by the Directors were followed by your Company and that such internal financial controls are adequate and operating effectively; and
 - vi. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

CAUTIONARY STATEMENT

Statements in this Directors Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements". Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in market condition, changes in Government regulations, Tax regimes, economic developments within India and other ancillary factors.

APPRECIATION

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For & on behalf of the Board

Place: Mumbai
Date: May 30, 2017

Nitin Kishor Boricha
Chairman and Whole Time Director
DIN: 05245737

[Annexure-A]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

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

To,
The Members,
Sunstar Realty Development Limited
Office No-107, 1st Floor, Rajshila Premises,
597 J S S Marg, Princess Street Junction,
Mumbai 400002, Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sunstar Realty Development Limited, CIN: L70102MH2008PLC184142 ("the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31 2017, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31 2017, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
 - (a) In spite of efforts made, the Company was unable to appoint Chief Financial Officer under Section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment & Remuneration of Key Managerial Personnel) Rules, 2014 of the Companies Act, 2013.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- (not applicable to the company during the audit period);

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- 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 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the company during the audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (not applicable to the company during the audit period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (not applicable to the company during the audit period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (not applicable to the company during the audit period).

I 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 substantially complied with the general laws applicable to the Company. Based on the information, explanations and management representation, the Company has substantially complied with the Tax laws applicable to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to Board Meetings and General Meetings.
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed

notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

3. 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.

I further report that during the audit period the Company has not passed any Special Resolution in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

Place: Mumbai
Date: May 30, 2017

Kavita Raju Joshi
Practicing Company Secretary
FCS No: 9074
CP No: 8893

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

SUNSTAR REALTY DEVELOPMENT LIMITED

Annexure A'

To,
The Members,
Sunstar Realty Development Limited
Office No-107, 1st Floor, Rajshila Premises,
597 J S S Marg, Princess Street Junction,
Mumbai 400002, Maharashtra

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

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

Place: Mumbai
Date: May 30, 2017

Kavita Raju Joshi
Practicing Company Secretary
FCS No: 9074
CP No: 8893

[Annexure - B]

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017**

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L70102MH2008PLC184142
ii	Registration Date	30-Jun-08
iii	Name of the Company	Sunstar Realty Development Limited
iv	Category/Sub-category of the Company	Public Company/Limited by Shares
v	Address of the Registered office & contact details	Office No-107, 1st Floor, Rajshila Premises, 597 J.S.S. Marg, Princess Street Junction, Mumbai-400 002, Maharashtra Email: info@sunstarrealtors.com
vi	Whether listed company	Yes
vii	Name ,Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Skyline Financial Services Private Address 1:D-153A, 1st Floor Okhla Industrial Area, Phase-I New Delhi-110020 Address 2: 4A9 Gundecha Onclave Khairani Road, Sakinaka, Mumbai-400072, Maharashtra Contact No- 022-62215779/28511022 Fax No- 011-26812683 Email Id- mumbai@skylinerta.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Real Estate Activities on a Fee or Contract basis	6820	71.18
2	Whole Sale of other agriculture raw material n.e.c	4620	26.25

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL	NIL	NIL	NIL	NIL

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Shareholding Pattern of the Company

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the end of the year 31st March 2016				No. of Shares held at the end of the year 31st March, 2017				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A Promoters									
1) Indian									
a Individuals/ HUF	350,000	-	350,000	0.15	350,000	-	350,000	0.15	-
b Central Govt.	-	-	-	-	-	-	-	-	-
c State Govt.(s)	-	-	-	-	-	-	-	-	-
d Bodies Corporate	44,000,000	-	44,000,000	18.63	44,000,000	-	44,000,000	18.63	-
e Banks/ FI	-	-	-	-	-	-	-	-	-
f Any other (specify)	-	-	-	-	-	-	-	-	-
i. Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	44,350,000	-	44,350,000	18.77	44,350,000	-	44,350,000	18.77	-
2) Foreign									
a NRI Individuals	-	-	-	-	-	-	-	-	-
b Other Individuals	-	-	-	-	-	-	-	-	-
c Bodies Corporate	-	-	-	-	-	-	-	-	-
d Banks/ FI	-	-	-	-	-	-	-	-	-
e Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
B Public Shareholding									
1) Institutions									
a Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b Banks/ FI	-	-	-	-	309,000	-	309,000	0.13	0.13
c Central Govt.	-	-	-	-	-	-	-	-	-
d State Govt.(s)	-	-	-	-	-	-	-	-	-
e Venture Capital Funds	-	-	-	-	-	-	-	-	-
f Insurance Companies	-	-	-	-	-	-	-	-	-
g FIIs	363,000	-	363,000	0.15	363,000	-	363,000	0.15	-
h Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	363,000	-	363,000	0.15	672,000	-	672,000	0.28	0.13
2) Non-Institutions									
a Bodies Corporates									
i. Indian	143,855,161	-	143,855,161	60.90	147,737,890	-	147,737,890	62.54	1.64
ii. Overseas	-	-	-	-	-	-	-	-	-
b Individuals									
i. Individual Shareholders holding nominal share capital upto Rs. 1 lakh	8,696,839	450,000	9,146,839	3.87	6,993,110	400,000	7,393,110	3.13	(0.74)
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	37,015,000	1,500,000	38,515,000	16.30	28,436,000	1,500,000	29,936,000	12.67	(3.63)
c Others (specify)									
i. Non-Resident Indian	-	-	-	-	-	-	-	-	-
ii. Overseas corporate Bodies	-	-	-	-	-	-	-	-	-
iii. Foreign Nationals	-	-	-	-	-	-	-	-	-
iv. Hindu Undivided Family	-	-	-	-	61,41,000	-	61,41,000	2.60	2.60
v. Trust	-	-	-	-	-	-	-	-	-
vi. Foreign Bodies	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2)	189,567,000	1,950,000	191,517,000	81.07	189,308,000	1,900,000	191,208,000	80.94	(0.13)
Total Public Shareholding (B) = (B)(1) + (B)(2)	189,930,000	1,950,000	191,880,000	81.23	189,980,000	1,900,000	191,880,000	81.23	(0.00)
C Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	234,280,000	1,950,000	236,230,000	100.00	234,330,000	1,900,000	236,230,000	100.00	(0.00)

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of year (1st April, 2016)			Shareholding at the end of the year (31st March, 2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Heaven Petrochem Pvt Ltd	440,00,000	18.63	-	440,00,000	18.63	-	-
2	Ganga Jesingbhai Patel	1,00,000	0.04	-	1,00,000	0.04	-	-
3	Dipan J Patel	1,00,000	0.04	-	1,00,000	0.04	-	-
4	Jesingbhai Shukarbhai Patel	1,00,000	0.04	-	1,00,000	0.04	-	-
5	Kavita D Patel	50,000	0.02	-	50,000	0.02	-	-
	Total	443,50,000	18.77	-	443,50,000	18.77	-	-

Change in Promoters' Shareholding

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1st April, 2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At The Beginning Of The Year				
	Heaven Petrochem Private Limited	44,000,000	18.63	44,000,000	18.63
	Ganga Jesingbhai Patel	100,000	0.04	100,000	0.04
	Dipan J Patel	100,000	0.04	100,000	0.04
	Jesingbhai Shukarbhai Patel	100,000	0.04	100,000	0.04
	Kavita D Patel	50,000	0.02	50,000	0.02
2	Date wise Increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment, transfer/ bonus/ sweat equity etc.)				
3	At The End Of The Year				
	Heaven Petrochem Private Limited	44,000,000	18.63	44,000,000	18.63
	Ganga Jesingbhai Patel	100,000	0.04	100,000	0.04
	Dipan J Patel	100,000	0.04	100,000	0.04
	Jesingbhai Shukarbhai Patel	100,000	0.04	100,000	0.04
	Kavita D Patel	50,000	0.02	50,000	0.02

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iii) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)-

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ Decrease	Reason	No. of Shares	% of total Shares of the Company
1	For each of the top 10 shareholders Tansymacha Financial Consultancy Private Limited	12472000	5.28	27/05/2016	-42000	Sale	12430000	5.26
				27/05/2016	42000	Purchase	12472000	5.28
				31/03/2017	-	-	12472000	5.28
2	Keshavah Mercantile Private Limited	6574000	2.78	31/03/2017	-	-	6574000	2.78
3	Nirdesh Trading Pvt. Ltd.	6320000	2.68	31/03/2017	-	-	6320000	2.68
4	Quickscope Dealers Private Limited	7884000	3.34	31/03/2017	-	-	7884000	3.34
5	Madhu Financial Consultant Private Limited	9291000	3.93	31/03/2017	-	-	9291000	3.93
6	Malakar & Das Broking Services Private Limited	4518000	1.91	31/03/2017	-	-	4518000	1.91
7	Keshavah Dealtrade Private Limited	4478000	1.90	31/03/2017	-	-	4478000	1.90
8	Dhanaseth Properties Private Limited	4380000	1.85	31/03/2017	-	-	4380000	1.85
9	Saktimata Marketing Private Limited	3442000	1.46	31/03/2017	-	-	3442000	1.46
10	Gainsay Property Private Limited	3051000	1.29	31/03/2017	-	-	3051000	1.29

iv) Shareholding Pattern of Directors and Key Managerial Personnel

Sr. No	For each of the Directors and KMP	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	At the beginning of the year				
	Sonal Jayprakash Bhatt	50,000	0.02	50,000	0.02
2	Date wise Increase/decrease in shareholding during the year specifying the reasons for increase /decrease (e.g. allotment, transfer/ bonus/ sweat equity etc.)	No changes during the year			
3	At the end of the year				
	Sonal Jayprakash Bhatt	50,000	0.02	50,000	0.02

v) Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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vi) Remuneration of Directors & Key Managerial Personnel

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No	Particulars of Remuneration	Name of the MD / WTD/Manager		Total Amount
		Manoj Mehrotra	Nitin Kishor Boricha	
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) of the Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	2,25,000.00	45,000.00	2,70,000.00
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	2,25,000.00	45,000.00	2,70,000.00
	Ceiling as per the Act			42,00,000.00

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors		Total Amount
		Yogesh Kumar Rawal	Sonal Jayprakash Bhatt	
1	Independent Directors			
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Total (1)	-	-	-
2	Other Non Executive Directors			
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) 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.	Particulars of Remuneration	Key Managerial Personnel			
		Priyanka Sen, CS	Prashant Agarwal, CS	CFO/ CEO	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	70,424.00	387.00	-	70,811.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-		-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	70,424.00	387.00	-	70,811.00

vii) Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors/ Other Officers in Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

[Annexure-C]

NOMINATION & REMUNERATION POLICY

1. PREAMBLE

The Board of Directors of "Sunstar Realty Development Limited" ("the Company") had constituted a Nomination and Remuneration Committee consisting of three (3) Directors, of which two directors are Independent Directors.

2. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- f) To devise a policy on Board diversity
- g) To develop a succession plan for the Board and to regularly review the plan.

3. DEFINITIONS

- a) "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- b) "Board" means Board of Directors of the Company.
- c) "Directors" mean Directors of the Company.
- d) "Key Managerial Personnel" means
 - i. Chief Executive Officer or the Managing Director or the Manager;
 - ii. Whole-time director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary; and
 - v. Such other officer as may be prescribed.

- e) "Senior Management" means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.
- f) "Independent Director":- As provided under Section 149(6) of the Companies Act, 2013. 'Independent Director' shall mean a non-executive director, other than a managing director or a whole-time director or a nominee director of the Company:
- i. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - ii. a) who is or was not a promoter of the company or its holding, subsidiary or associate company; -
b) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - iii. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - iv. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year; -
 - v. who, neither himself nor any of his relatives-
 - a) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
 - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - c) holds together with his relatives two per cent. or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
 - e) who possesses such other qualifications as may be prescribed.

4. ROLE OF COMMITTEE

- a) Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

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

- b) Policy for appointment and removal of Director, KMP and Senior Management

- i. Appointment criteria and qualifications

ϕ The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

ϕ A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.

ϕ The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- ii. Term / Tenure

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

ϕ Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and Listing Agreement, from time to time.

iii. Evaluation

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

iv. Removal

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

v. Retirement

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

c) Policy relating to the Remuneration for the Director, KMP and Senior Management Personnel

I. General:

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director, KMP and Senior Management Personnel shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director, KMP and Senior Management Personnel.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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II. Remuneration to Director, KMP and Senior Management Personnel:

- **Fixed pay:** The Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director, KMP and Senior Management Personnel in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- **Provisions for excess remuneration:** If any Director, KMP and Senior Management Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

III. Remuneration to Non- Executive / Independent Director:

- **Remuneration / Commission:** The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- **Sitting Fees:** The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- **Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

5. MEMBERSHIP

- a) The Committee shall consist of a minimum 3 directors, majority of them being independent.
- b) Minimum two (2) members, one of which must be an Independent Director, shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

6. CHAIRPERSON

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) Chairman of the Nomination and Remuneration Committee meeting should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

8. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

9. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

10. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

11. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

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- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j) Recommend any necessary changes to the Board; and
- k) Considering any other matters, as may be requested by the Board.

12. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- a) To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.
- b) To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d) To consider any other matters as may be requested by the Board.
- e) Professional indemnity and liability insurance for Directors and senior management.

13. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

14. AMENDMENT(S)/MODIFICATION(S)

The Nomination and Remuneration Committee will review and may amend/modify this policy from time to time.

[Annexure-D]

Disclosure in Directors' Report pursuant to Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Nitin Kishor Boricha (Whole Time Director)	0.83
2.	Mr. Manoj Mehrotra (Managing Director)	4.17
3.	Ms. Sonal Jayprakash Bhatt (Independent Director)	-
4.	Mr. Yogesh Kumar Rawal (Independent Director)	-

Notes:

- Mr. Nitin Kishor Boricha (DIN: 05245737) was appointed as Whole Time Director of the Company by the Board with effect from December 31, 2016.
- Mr. Manoj Mehrotra (DIN: 07224970) resigned from the post of Managing Director of the Company with effect from December 31, 2016.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Nitin Kishor Boricha (Whole Time Director)	NA
2.	Mr. Manoj Mehrotra (Managing Director)	NIL
3.	Ms. Sonal Jayprakash Bhatt (Independent Director)	NA
4.	Mr. Yogesh Kumar Rawal (Independent Director)	NA
5.	Ms. Priyanka Sen (Company Secretary)	NIL
6.	Mr. Prashant Agarwal (Company Secretary)	NA

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Notes:

1. Mr. Nitin Kishor Boricha (DIN: 05245737) was appointed as Whole Time Director of the Company by the Board with effect from December 31, 2016.
2. Mr. Manoj Mehrotra (DIN: 07224970) resigned from the post of Managing Director of the Company with effect from December 31, 2016.
3. Mr. Prashant Agarwal was appointed as Whole Time Secretary and Compliance Officer of the Company by the Board with effect from March 31, 2017.
4. Ms. Priyanka Sen resigned from the post of Whole Time Secretary and Compliance Officer of the Company with effect from November 14, 2016.

(iii) The percentage increase in the median remuneration of employees in the financial year:

During the FY 2016-17, there was no increase in the median remuneration of employees.

(iv) The number of permanent employees on the rolls of the Company:

There are 9 employees as on March 31, 2017.

(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there is any exceptional circumstances for increase in the managerial remuneration:

None of the Director's Remuneration was increased in the Financial Year 2016-17.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:

Remuneration paid during the year ended March 31, 2017 is as per the Remuneration Policy of the Company.

[Annexure-E]

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

Sunstar's ("The Company") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct is an extension of our values and reflects our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability on information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

A Report on compliance with the principles of Corporate Governance as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

GOVERNANCE STRUCTURE

The Corporate Governance structure of our Company is as follows:

- **Board of Directors:** The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
- **Committees of the Board:** The Board has constituted the following Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee. Each of the Committee has been mandated to operate within a given framework.

THE BOARD OF DIRECTORS

a) Composition and category of Directors

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Financial and Marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management Team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Company has a judicious combination of Executive and Non-Executive Directors. As on March 31, 2017, the Board comprised of Three (3) Directors out of which One (1) is Executive

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Director and Two (2) are Independent Directors. The Chairman of the Board is Executive Director.

The details of each member of the Board along with the number of Directorship/Committee Membership are given below:

Name	Category of Director	Directorship in other Public Limited Companies	No. of Board Committees in which Chairman/ Member,	
			Chairman	Member
Mr. Nitin Kishor Boricha DIN: 05245737	Whole Time Director	-	-	-
Mr. Yogesh Kumar Rawal DIN: 06776726	Independent Director	-	-	-
Ms. Sonal Jayprakash Bhatt DIN: 03157849	Independent Director	-	-	-

Notes:

1. Mr. Nitin Kishor Boricha (DIN: 05245737) was appointed by the Board as Whole Time Director of the Company at their meeting held on December 31, 2016.
2. Mr. Manoj Mehrotra (DIN: 07224970) resigned from the post of Managing Director of the Company with effect from December 31, 2016.
3. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
4. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholder Relationship Committee in other Public Limited Company. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
5. None of the Directors are inter-se related with each other.

b) Independent Directors

The Non-Executive Independent Directors fulfil the conditions of Independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment to Independent Directors as provided in Companies Act 2013 has been issued and disclosed at the website of the Company viz. www.sunstarrealtors.com.

c) Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

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The necessary quorum was present for all the meetings.

In the Financial Year 2016-2017, the Board met Nine (9) times. The details of Board Meetings held during the year are listed below. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and as per Regulation 17(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sl. No.	Date of Board Meeting	Total strength of the Board	No. of Directors present
1	May 03, 2016	3	3
2	May 30, 2016	3	3
3	June 22, 2016	3	3
4	August 30, 2016	3	3
5	November 14, 2016	3	3
6	December 31, 2016	4	4
7	March 10, 2017	3	2
8	March 27, 2017	3	3
9	March 31, 2017	3	3

Attendance at aforesaid Board Meetings and at the last Annual General Meeting of each of the Director is given below:

Name of the Director	Category of Directorship	Attendance at the Board Meeting(s)		Attendance at last AGM
		Held	Attended	
Mr. Nitin Kishor Boricha (DIN: 05245737)	Chairman & Whole Time Director	9	3	NA
Mr. Yogesh Kumar Rawal (DIN: 06776726)	Independent Director	9	9	Yes
Ms. Sonal Jayprakash Bhatt (DIN: 03157849)	Independent Director	9	9	Yes
Mr. Manoj Mehrotra (DIN: 07224970)	Managing Director	9	6	Yes

Notes:

1. Mr. Nitin Kishor Boricha (DIN: 05245737) was appointed by the Board as Whole Time Director of the Company at their meeting held on December 31, 2016.
2. Mr. Manoj Mehrotra (DIN: 07224970) resigned from the post of Managing Director of the Company with effect from December 31, 2016.

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d) Information placed before Board of Directors

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

e) Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

f) Shareholding of Non-Executive Directors

Ms. Sonal Jayprakash Bhatt, Non-Executive Director of the Company holds shares of the Company as on March 31, 2017.

GOVERNANCE CODES

Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team (one level below the Board of Directors) of the Company are required to affirm annual Compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed at the website of the Company viz. www.sunstarrealtors.com.

Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective charters. These committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The minutes of the Committee Meetings are placed before the Board for noting.

The Board currently has the following Committees:

A. AUDIT COMMITTEE

Composition

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

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The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Accounts, etc. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

Meetings and Attendance

The Audit Committee met Four times during the Financial Year 2016- 17. The maximum gap between two Meetings was not more than 120 days. The Committee met on May 30 2016, August 12 2016, November 14 2016 & February 14 2017. The requisite quorum was present at all the meetings. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company.

The Table below provides the attendance of the Audit Committee members.

Name	Category	Designation	Meeting(s)	
			Held	Attended
Ms. Sonal Jayprakash Bhatt	Independent Director	Chairman	4	4
Mr. Yogesh Kumar Rawal	Independent Director	Member	4	4
Mr. Manoj Mehrotra	Managing Director	Member	4	3
Mr. Nitin Kishor Boricha	Whole Time Director	Member	4	1

Notes:

1. Mr. Nitin Kishor Boricha (DIN: 05245737) was appointed by the Board as Whole Time Director of the Company at their meeting held on December 31, 2016.
2. Mr. Manoj Mehrotra (DIN: 07224970) resigned from the post of Managing Director of the Company with effect from December 31, 2016.

The Audit Committee is empowered, pursuant to its terms of reference inter-alia,

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the Company's financial reporting process and the disclosure of its information to ensure that the financial statements are correct, sufficient and credible;
6. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditors, fixing of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

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- a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Section 134(3)(c) of the Companies Act, 2013;
 - b) Changes, if any, in the accounting policies and practices and the reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with the Listing Regulations and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report, if any.
9. Reviewing, with the management, the financial statements before submission to the board for approval.
 10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 13. Discussion with the internal auditors any significant findings and follow-up thereon;
 14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 17. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.
 18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

20. Mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

21. Review the Financial Statements of its Subsidiary Company, if any.

22. Review the composition of the Board of Directors of its Subsidiary Company, if any.

23. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc.) on a half yearly basis as a part of the half yearly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

B. NOMINATION & REMUNERATION COMMITTEE

Composition

The Nomination & Remuneration Committee comprises of Three (3) Directors.

Meeting and Attendance

The Committee met three (3) times during the financial year 2016-17 on April 25, 2016; December 15, 2016 and March 20, 2017. The requisite quorum was present at the Meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination & Remuneration Committee.

Name	Category	Designation	Meeting(s)	
			Held	Attended
Ms. Sonal Jayprakash Bhatt	Independent Director	Chairman	3	3
Mr. Yogesh Kumar Rawal	Independent Director	Member	3	3
Mr. Manoj Mehrotra	Managing Director	Member	3	2
Mr. Nitin Kishor Boricha	Whole Time Director	Member	3	1

Notes:

1. Mr. Nitin Kishor Boricha (DIN: 05245737) was appointed by the Board as Whole Time Director of the Company at their meeting held on December 31, 2016.
2. Mr. Manoj Mehrotra (DIN: 07224970) resigned from the post of Managing Director of the Company with effect from December 31, 2016.

The Nomination and Remuneration Committee is empowered with the following terms of

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reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

- The committee recommends to the board the compensation terms of the executive directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

Remuneration Policy

The success of the organization in achieving good performance and good governing practices depends on its ability to attract and retain individual with requisite knowledge and excellence as executive and non-executive directors. The Nomination and Remuneration Policy of the Company is annexed herewith as [Annexure- C] to this Report.

Details of Remuneration to all Directors:

The details of remuneration paid to the Directors for the year ended March 31, 2017 are as under:

Name	Designation	Salary	Perquisites	Sitting Fees	Total
Mr. Manoj Mehrotra	Managing Director	2,25,000	-	-	2,25,000
Mr. Nitin Kishor Boricha	Whole Time Director	45,000	-	-	45,000
Ms. Sonal Jayprakash Bhatt	Independent Director	-	-	-	-
Mr. Yogesh Kumar Rawal	Independent Director	-	-	-	-

Notes:

1. Mr. Nitin Kishor Boricha (DIN: 05245737) was appointed by the Board as Whole Time Director of the Company at their meeting held on December 31, 2016.
2. Mr. Manoj Mehrotra (DIN: 07224970) resigned from the post of Managing Director of the Company with effect from December 31, 2016.

Disclosure pursuant to Part-II, Section-II, 3rd Provision, Point No-IV of Schedule-V under Section 196 and 197 of all the Directors

- i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc of all the Directors- As stated above

- ii. Details of fixed component and performance linked incentives along with performance criteria- Nil
- iii. Service Contracts, notice period, severance fees- Not Applicable
- iv. Stock options details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable- Not Applicable

Performance Evaluation of Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, its Committees and Individual Directors. A structured questionnaire was prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and Managing Director/Whole Time Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meeting & Attendance

The Committee met Three (3) times during the financial year 2016-2017 on May 30, 2016, November 14, 2016 and February 14, 2017. The constitution of the Stakeholders Relationship Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2016-17 is detailed below:

Name	Category	Designation	Meeting(s)	
			Held	Attended
Ms. Sonal Jayprakash Bhatt	Independent Director	Chairman	3	3
Mr. Yogesh Kumar Rawal	Independent Director	Member	3	3
Mr. Manoj Mehrotra	Managing Director	Member	3	2
Mr. Nitin Kishor Boricha	Whole Time Director	Member	3	1

Notes:

- 1. Mr. Nitin Kishor Boricha (DIN: 05245737) was appointed by the Board as Whole Time Director of the Company at their meeting held on December 31, 2016.

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2. Mr. Manoj Mehrotra (DIN: 07224970) resigned from the post of Managing Director of the Company with effect from December 31, 2016.

The Board has clearly defined the terms of reference for this committee. The Committee looks into the matters of Shareholders/Investors grievances along with other matters or any other duties that may be delegated to the Committee by the Board of Directors from time to time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, M/s Skyline Financial Services Private Limited attend to all grievances of the shareholders received directly or via any other authority. The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the Investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

Details pertaining to the number of complaints received and responded and the status thereof during the financial year 2016-2017 are given below:

No. of Complaints received during the year	-
No. of Complaints resolved during the year	-
No. of Complaints pending at the end of the year	-

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on March 10, 2017, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this Meeting.

AFFIRMATIONS AND DISCLOSURES

1. The Company has generally complied with all mandatory requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. There are no materially significant related party transactions of your Company which have potential conflict with the interests of the Company at large. Details of related party transactions are disclosed in notes to Financial Statements for the year ended March 31, 2017. The policy on related party transactions has been placed on the website of the Company viz. www.sunstarrealtors.com.

3. The Company has generally complied with the requirements of the Stock Exchanges/SEBI and statutory authorities on all matters during the last three years.
4. Quarterly/Half Yearly/Yearly Reports on compliance of mandatory and non-mandatory requirements in the prescribed format have been submitted to the Stock Exchanges where the shares of the Company are listed within the stipulated time.
5. The Whole Time Director have certified to the Board in accordance with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the Financial Year ended March 31, 2017.
6. The Company has a well defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
7. Pursuant to Section 177(9) and (10) of the Companies Act 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is available at the website of the Company viz. www.sunstarrealtors.com.
8. The Company has laid down a Code of Conduct for the members of the Board as well as for the employees of the Company. The Code has also been posted on the website of the Company viz. www.sunstarrealtors.com. The Whole Time Director has confirmed and declared that all members of the Board and Senior Management have affirmed compliance with the Code of Conduct as per the requirements of the Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9. The Company has adopted a Policy on Determination of Materiality for Disclosures. The policy has also been posted on the website of the Company viz. www.sunstarrealtors.com.
10. The Company has adopted a Policy on Archival and Preservation of Documents. The policy has also been posted on the website of the Company viz. www.sunstarrealtors.com.
11. The Financial Statements for the Financial year 2016-2017 have been prepared in accordance with the applicable accounting principles in India, the mandatory Accounting Standards ('AS') as prescribed under Section 133 and other applicable provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the guidelines issued by the Securities and Exchange Board of India to the relevant extent. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

The Company has no subsidiary and hence there is no need to frame any policy for determining 'material' subsidiary.

The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities are not applicable.

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MEANS OF COMMUNICATION

1. The half-yearly and yearly financial results of the Company as per the statutory requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are published within the stipulated time as per the regulations in the leading newspapers i.e. Financial Express and Mumbai Lakshadweep.
2. The financial results are filed electronically with BSE Limited and posted on the website of the Company.
3. The results are also displayed on the website of the Company viz. www.sunstarrealtors.com shortly after its submission to Stock Exchange. As the half yearly and yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.
4. During the year under review, the Company did not make any presentation to institutional investors or to analysts.
5. Comprehensive information about the Company, its business and operations can be viewed on the website of the Company viz. www.sunstarrealtors.com. The "Investor" tab on the website of the Company gives information relating to financial results, Annual Reports, Shareholding Pattern, etc.

GENERAL BODY MEETINGS

a) Details of last Three (3) Annual General Meetings held

Year	Location	Date	Time	Special Resolutions Passed
2015-16	P D's Supreme Hospitality Pvt Ltd, Evershine Club, Evershine Millenium Paradise, Thakur Village Kandivali (East), Mumbai-400101 Maharashtra	26/09/2016	11:00 am	Nil
2014-15	P D's Supreme Hospitality Pvt Ltd, Evershine Club, Evershine, Millenium Paradise, Thakur Village, Kandivali (East), Mumbai-400101 Maharashtra	21/09/2015	12:30 pm	Nil
2013-14	P D's Supreme Hospitality Pvt Ltd, Evershine Club, Evershine, Millenium Paradise, Thakur Village, Kandivali (East), Mumbai-400101 Maharashtra	24/09/2014	12:30 pm	Special Resolution pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, for the alteration of Articles of Association of the Company.

b) Postal Ballot

During the year, the Company approached the Shareholders once through Postal Ballot. The result of the Postal Ballot was declared on May 02, 2017. A snapshot of the postal ballot is as follows:

Particulars of the Resolution	Type of Resolution
Migration of Company from SME Segment of BSE Ltd to Main Board of BSE Ltd	Special
Approval for appointment of Mr. Nitin Kishor Boricha (DIN: 05245737) as the Whole Time Director of the Company	Ordinary

The Company successfully completed the process of obtaining approval of its shareholders for the Special/Ordinary Resolutions on the items detailed above through Postal Ballot.

Mr. Bhuvnesh Bansal, Practising Company Secretary was appointed as the Scrutinizer for carrying out the Postal Ballot process in a fair and transparent manner.

GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting for FY 2016-17

Day & Date	Saturday, September 23, 2017
Time	11:00 am
Venue	P D's Supreme Hospitality Pvt Ltd, Evershine Club, Evershine, Millenium Paradise, Thakur Village, Kandivali (East), Mumbai-400101, Maharashtra

ii. Listing on Stock Exchanges:

- BSE Limited ("BSE")
25th Floor, P.J. Towers,
Dalal Street, Mumbai-400001

iii. Stock Codes/Symbol- BSE: 535141

iv. Corporate Identification Number: L70102MH2008PLC184142

v. Tentative Calendar for Financial Year ending March 31, 2018

The tentative dates for Board Meetings for consideration of half yearly/yearly financial results are as follows:

SL. No	Particulars	Tentative dates
1	Half Yearly results for September 2017	On or before Second week of November 2017
2	Half Year and Financial Year ended March 2018	On or before Fourth week of May 2018

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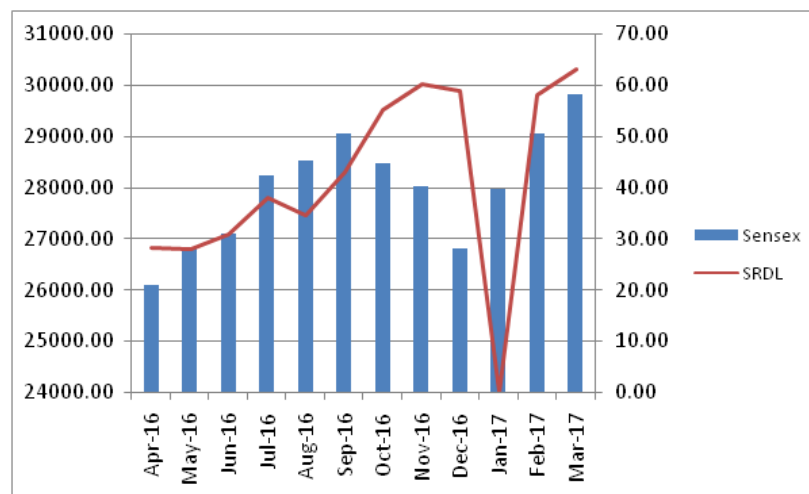
vi. Market Price Data

Year/Month	BSE (In Rs.)		SENSEX (In Rs.)	
	High	Low	High	Low
April, 2016	28.20	20.80	26100.54	24523.20
May, 2016	28.00	26.00	26837.20	25057.93
June, 2016	30.90	24.40	27105.41	25911.33
July, 2016	38.00	22.10	28240.20	27034.14
August, 2016	34.50	26.95	28532.25	27627.97
September, 2016	43.00	23.00	29077.28	27716.78
October, 2016	55.00	42.00	28477.65	27488.30
November, 2016	60.00	54.70	28029.80	25717.93
December, 2016	58.90	56.00	26803.76	25753.74
January, 2017	-	-	27980.39	26447.06
February, 2017	58.00	57.60	29065.31	27590.10
March, 2017	63.00	35.75	29824.62	28716.21

Particulars	BSE
Closing Share price as on March 31, 2017 (in Rs.)	44.00/-
Market Capitalisation as on March 31, 2017 (in Rs.)	103941.20/- Lakhs

Annual Listing fees as applicable have been paid to the Stock Exchanges.

STOCK PERFORMANCE VIS-A-VIS INDEX



DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

Range of Shares	No. of Shareholders	No. of Shares
Up to 5,000	132	321110
5,001 to 10,000	23	205000
10,001 to 20,000	26	434000
20,001 to 30,000	24	647000
30,001 to 40,000	11	388000
40,001 to 50,000	39	1899000
50,001 to 1,00,000	90	7029000
Above 1,00,000	188	225306890
Total	533	236230000

SHAREHOLDING PATTERN AS ON MARCH 31, 2017

Category of Shareholders	No. of Shareholders	Total No. of Shares held	% of total Capital
Promoters	5	44350000	18.77
Institutions	2	672000	0.28
Bodies Corporate	158	147191890	62.31
Resident Individual	299	37329110	15.80
Others	69	6687000	2.84
Total	533	236230000	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has entered into Agreements with both the Depositories registered under the Depositories Act, 1996 i.e. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) to facilitate holding and trading in shares of the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996.

As per SEBI guidelines, equity shares of the Company are compulsorily traded in dematerialised form and are available for trading on both the depositories, viz. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL & CDSL is INE338O01025.

As on March 31 2017, 99.20% shares are in dematerialised form. The no. of shares held in physical and dematerialised form with both the depositories i.e. NSDL & CDSL as on March 31, 2017 is:

Physical	:	1900000
Electronic Form with NSDL	:	76944900
Electronic Form with CDSL	:	157385100

SUNSTAR REALTY DEVELOPMENT LIMITED

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY TO IMPACT ON EQUITY: Not applicable

ADDRESS FOR CORRESPONDENCE

- Sunstar Realty Development Limited

Registered Office

Office No-107, 1st Floor, Rajshila Premises, 597 J S S

Marg, Princess Street Junction, Mumbai-400002, Maharashtra

Telephone No- 022 6534 1988

Email Id: info@sunstarrealtors.com

Website: www.sunstarrealtors.com

- Registrar & Share Transfer Agent
M/s Skyline Financial Services Private Limited
Address 1: D-153A, 1st Floor Okhla Industrial Area,
Phase-I, New Delhi-110020

Address 2: 4A9 Gundecha Onclave Khairani Road

Sakinaka, Mumbai-400072, Maharashtra

Telephone No- 022 6221 5779/ 022 2851 1022

Email Id: mumbai@skylinerta.com

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has laid down a Code of Conduct for the members of the Board as well as for the employees of the Company. The Code has also been posted on the website of the Company viz. www.sunstarrealtors.com.

The Whole Time Director has confirmed and declared that all members of the Board and Senior Management have affirmed compliance with the Code of Conduct as per the requirements of the Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been published in this Report.

For and On Behalf of Board of Directors

Place: Mumbai
Date: May 30, 2017

Nitin Kishor Boricha
Chairman/Whole Time Director
DIN: 05245737

CEO / CFO CERTIFICATION

To,
The Board of Directors
M/s Sunstar Realty Development Limited

I the undersigned, in my capacity of Whole Time Director of M/s Sunstar Realty Development Limited ("the Company") to the best of my knowledge and belief certify that:

- 1) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and to the best of my knowledge and belief, I state that:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) I further state that to the best of my knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 3) I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and I have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal control, if any, of which I am aware and the steps have been taken or propose to rectify these deficiencies.
- 4) I have indicated to the Auditors and the Audit Committee:
 - a. that there are no significant changes in internal control over financial reporting during the year;
 - b. that there are no significant changes in accounting policies during the year;
 - c. that there are no instances of significant fraud of which I have become aware.

Place: Mumbai
Date: May 30, 2017

Nitin Kishor Boricha
Chairman/Whole Time Director
DIN: 05245737

SUNSTAR REALTY DEVELOPMENT LIMITED

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director/Whole Time Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These codes are available on the website of the Company www.sunstarrealtors.com.

I confirm that the Company has in respect of the year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For and On Behalf of Board of Directors

Place: Mumbai
Date: May 30, 2017

Nitin Kishor Boricha
Chairman/Whole Time Director
DIN: 05245737

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
M/s Sunstar Realty Development Ltd

- 1) I have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 3) In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has generally complied, in all material respect, with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended March 31, 2017.
- 4) I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: May 30, 2017

Kavita Raju Joshi
Practicing Company Secretary
FCS No. 9074
CP No. 8893

[Annexure-F]

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

As per the World Bank Report, India's economic growth is expected to see an uptick at 7.2 % in FY 2017-18. It is expected to further accelerate to 7.5 % in 2018-19 underpinned by a recovery in private investments, which are expected to be crowded in by the recent increase in public capex and an improvement in the investment climate. After the implementation of the GST, it would be a significant 'upside risk' to economic activity in 2017-18.

The Goods and Service Tax (GST) has been identified as one of the most important tax reforms post-independence. It will enhance the efficiency of production and movement of goods and services across Indian states. The GST will unify India into a single market with easy compliance, broaden the tax base and improve productivity. While there remains a potential for disruption in the short run, given the scale of change, the long term potential of this reform is immense.

India continues to be one of the fastest growing large economies despite the slowdown due to the government's decision of demonetization. The Indian economy is on a strong growth trajectory, which coupled with its commitment to fiscal discipline exhibited over the last three years suggests that its deficit and debt ratios are likely to decline significantly going forward.

Real Estate Sector

The Real Estate Sector market witnessed improved traction in the first six months of 2016. The overall positive sentiment was attributed to a host of factors including political stability, regulatory environment, improved infrastructure, strong investments, and amendments to REITs. However the sector witnessed a visible temporary slowdown since the announcement of the government's demonetization policy.

Beyond the short term demand factors, the long-term potential of Indian real estate continues to be robust. According to a Morgan Stanley research report, India's property sector is expected to grow at a CAGR of 16% for the next decade up from 12% growth witnessed in the last 6 years.

The residential real estate sector is going through a critical transition phase post demonetization as transaction activity has slowed down considerably. The implementation of RERA and Benami Transactions (Prohibition) Amendment Act (BTPAA) will lead to an increase in compliance costs for unorganized developers.

Mumbai Real Estate

The Mumbai Metropolitan Region residential market witnessed strong growth momentum in 2016. However in second half of the year, the market suffered a big blow with announcement of demonetization and it disrupted market sentiment as buyers preferred to defer their purchases. However since the beginning of 2017, markets are showing early signs improvement.

Opportunities and Challenges

Opportunities

1. Rapid Urbanization
2. Middle Income Housing
3. Monetary Easing
4. Real Estate Reforms

SUNSTAR REALTY DEVELOPMENT LIMITED

Challenges

1. Regulatory Hurdles
2. Funding Problems
3. Shortage of Manpower and Technology
4. Rising cost of construction

Overview of the Company

The Company in its quest to expand its activities intends to build technologies around health care and education all of which relate to its core activities of real estate. To accomplish this, the company has entered into a Memorandum of Understanding for the takeover of 100% shares of Quadrant 4 Solutions Private Limited, Chennai (Q4) a company incorporated under Indian laws. Q4 is into business of technology services in the area of health and education. The Board has considered this acquisition and will appoint required agencies to evaluate the options of acquisition and will close the acquisition.

FY 2016-17 was a tough year for real estate sector. The Company registered a turnover of Rs. 430.05 Lakhs, and earned a net profit of Rs. 8.79 Lakhs. The highlights are given in the Director's Report.

Outlook

A cyclical downturn combined with demonetization and implementation of the Real Estate (Regulation and Development) Act, 2016 has created short term uncertainty in the sector. However these same factors will lead to consolidation and improved governance in the sector, which in turn will drive improved consumer confidence. The combination of this improved consumer confidence with far improved affordability that is the result of rising incomes, stagnant prices, and reduced interest rates will propel the sector in a very positive direction over the next several years.

Human Resources

The objective of the human resources department of the Company is to "attract the best talent, build the employee capability and nurture the right culture to deliver on the business goals". The focus largely remains on strategic hiring, capability building through developmental programs and providing talent with an environment that fosters continuous learning, recognition, innovation, leadership development and employee well being. The human resources function is the prime custodian of the culture.

Independent Auditor's Report**To the Members of Sunstar Realty Development Limited****Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Sunstar Realty Development Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

SUNSTAR REALTY DEVELOPMENT LIMITED

the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2017, its Profit 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters Specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - e) On the basis of the written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. There is no pending litigation on the Company.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in Note 31 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For J V Modi & Co.
Chartered Accountants
Firm Registration No.: 137951W

CA J V Modi
Proprietor
Membership No 156821

Place: Mumbai
Date: May 30, 2017

SUNSTAR REALTY DEVELOPMENT LIMITED

ANNEXURE A

TO THE MEMBERS OF SUNSTAR REALTY DEVELOPMENT LIMITED

[REFERRED TO IN OUR REPORT OF EVEN DATE]

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property.
- ii. The inventory has been physically verified at reasonable interval by the management. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business.
- iii. According to the information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii)(a), (b) and (c) of the order are not applicable to the company and hence not commented upon.
- iv. According to the information and explanation given to us, the company has complied with the provisions of section 185 & 186 of the Act.
- v. The Company has not accepted any deposits within the meaning of Section 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.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the operation carried by the Company.
- vii. (a) According to the information and explanations given to us, and on the basis of our examination of the records of the company, amounts deducted /accrued in the books of account in respect of undisputed statutory dues including Income-tax, Sales-tax, Value Added Tax, Service Tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Value Added Tax, Service Tax, Cess and any other material statutory dues were in arrears, as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues which have not been deposited by the company on account of disputes.
- viii. Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to a financial institution, banks and government. There were no outstanding debentures during the

year. Accordingly, the provisions of paragraph 3(viii) are not applicable to the company and hence not commented upon.

- ix. The company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly paragraph 3(ix) of the Order is not applicable.
- x. 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 given 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.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. 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.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given 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, consequently reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For J V Modi & Co.
Chartered Accountants
Firm Registration No. : 137951W

CA J V Modi
Proprietor
Membership No 156821

Place: Mumbai
Date: May 30, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUNSTAR REALTY DEVELOPMENT LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sunstar Realty Development Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. 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 authorizations of management and directors of the company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J V Modi & Co.
Chartered Accountants
Firm Registration No. : 137951W

CA J V Modi
Proprietor
Membership No 156821

Place: Mumbai
Date: May 30, 2017

SUNSTAR REALTY DEVELOPMENT LIMITED**Balance Sheet as at March 31, 2017****(Amount in Rs)**

	Notes	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	236,230,000	236,230,000
Reserves & Surplus	3	<u>212,327,214</u>	<u>211,448,136</u>
		448,557,214	447,678,136
Non Current Liabilities			
Long Term Borrowings	4	<u>19,600,000</u>	-
		19,600,000	-
Current Liabilities			
Short Term Borrowings	5	20,000,000	19,600,000
Trade Payables	6		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		46,187,122	31,793,324
Other Current Liabilities	7	661,241	5,388,969
Short Term Provisions	8	<u>1,152,541</u>	<u>3,713,416</u>
		68,000,904	60,495,709
TOTAL		536,158,118	508,173,844
ASSETS			
Non Current Assets			
Fixed Assets	9		
- Tangible Assets		167,998	261,623
- Intangible Assets		3,790	12,083
Deferred Tax Assets		18,655	8,275
Long Term Loans and Advances	10	<u>461,278,829</u>	<u>415,255,221</u>
		461,469,272	415,537,202
Current Assets			
Inventories	11	2,500,000	2,500,000
Current Investments	12	2,000,000	-
Trade Receivables	13	1,312,431	16,065,792
Cash and Bank Balances	14	4,328,526	12,406,588
Short Term Loans and Advances	15	<u>64,547,889</u>	<u>61,664,261</u>
		74,688,846	92,636,641
TOTAL		536,158,118	508,173,844
Summary of Significant Accounting Policies	1.1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date.

For JV Modi & Co
Chartered Accountants
Firm Regn No: 137951W

For and on behalf of the Board of Directors

CA JV Modi
Proprietor
Membership No 156821
Place : Mumbai
Date: May 30, 2017

Nitin Kishor Boricha
Whole Time Director
DIN 05245737

Sonal Jayprakash Bhatt
Director
DIN 03157849

Prashant Agarwal
Company Secretary

SUNSTAR REALTY DEVELOPMENT LIMITED

Statement of Profit & Loss for the year ended March 31, 2017

(Amount in Rs)

	Notes	2016-17	2015-16
INCOME			
Revenue from Operations	16	30,716,497	73,631,828
Other Income	17	12,288,869	1,217,295
Total Income		<u>43,005,366</u>	<u>74,849,123</u>
EXPENSES			
Changes in inventories of Stock in Trade	18	-	-
Employee Benefits Expenses	19	1,545,541	1,154,959
Finance Cost	20	524,741	14,148
Depreciation and Amortisation expense	21	101,918	196,766
Other Expenses	22	39,533,101	71,949,167
Total Expenses		<u>41,705,301</u>	<u>73,315,040</u>
Profi Before Tax		1,300,065	1,534,083
Tax Expense:			
Current Tax		412,101	492,370
Deferred Tax		10,380	18,339
Tax for Earlier Year		19,266	-
Profit for the period		<u>879,078</u>	<u>1,060,053</u>
Earnings per equity share:	23		
Basic & Diluted		0.00	0.01
[Face Value Re. 1 each]			
Summary of Significant Accounting Policies	1.1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date.

For JV Modi & Co
Chartered Accountants
Firm Regn No:137951W

For and on behalf of the Board of Directors

CA JV Modi
Proprietor
Membership No 156821
Place : Mumbai
Date: May 30, 2017

Nitin Kishor Boricha
Whole Time Director
DIN 05245737

Sonal Jayprakash Bhatt
Director
DIN 03157849

Prashant Agarwal
Company Secretary

SUNSTAR REALTY DEVELOPMENT LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017****(Amount in Rs)**

Particulars	2016-17	2015-16
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax for the year	1,300,065	1,534,083
Adjustments for :		
Add : Depreciation	101,918	196,766
Misc. Expenditures w/off	-	-
	<u>101,918</u>	<u>196,766</u>
Operating Profit before Working Capital change	1,401,983	1,730,849
<u>Adjustments for (increase) / decrease in operating Assets</u>		
Inventories	-	-
Trade receivables	14,753,361	(8,923,099)
Short-term loans and advances	(2,883,628)	997,958
Long-term loans and advances	(46,023,608)	(34,153,875)
	<u>(6,301,331)</u>	<u>(14,226,472)</u>
<u>Adjustments for increase / (decrease) in operating Liabilities</u>		
Long-term Borrowings	19,600,000	-
Short-term Borrowings	400,000	-
Trade Payable	14,393,798	29,090,624
Other current liabilities	(4,727,728)	(4,006,347)
	<u>29,666,070</u>	<u>25,084,277</u>
Cash Generated From Operations	(3,085,822)	12,588,654
Income Tax (paid) / Refund	(2,992,240)	(3,658,112)
NET CASH FROM OPERATING ACTIVITIES Total (A)	<u>(6,078,062)</u>	<u>8,930,542</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Investments (Purchased)/Sold	(2,000,000)	-
Fixed Assets (Purchased)/Sold	-	(51,800)
NET CASH USED IN INVESTING ACTIVITIES Total (B)	<u>(2,000,000)</u>	<u>(51,800)</u>

SUNSTAR REALTY DEVELOPMENT LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	(Amount in Rs)	
	2016-17	2015-16
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Issue of Equity Capital	-	-
Share Premium	-	-
Preliminary Expenses Paid	-	-
NET CASH FROM FINANCING ACTIVITIES Total (C)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)	(8,078,060)	8,878,742
Cash and Cash Equivalents — Opening Balance	12,406,586	3,527,845
Cash and Cash Equivalents — Closing Balance	<u>4,328,526</u>	<u>12,406,586</u>

Note: Previous year's figures have been regrouped/ rearranged wherever considered necessary.
As per our report of even date.

For JV Modi & Co
Chartered Accountants
Firm Regn No:137951W

For and on behalf of the Board of Directors

CA JV Modi
Proprietor
Membership No 156821

Nitin Kishor Boricha
Whole Time Director
DIN 05245737

Sonal Jayprakash Bhatt
Director
DIN 03157849

Place : Mumbai
Date: May 30, 2017

Prashant Agarwal
Company Secretary

Notes to Financial Statements as at and for the year ended March 31, 2017

1 Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment rules, 2016. The Financial Statements are prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.1 Summary of Significant Accounting Policies:

i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon 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 amount of assets and liabilities in future periods.

ii) Revenue Recognition

Income and expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sales transaction is recognized as and when the significant risk and reward attached to ownership in goods is transferred to the buyer. However leave with wages and bonus is accounted on cash basis.

Prompt payment rebate and overdue charges are determined and accounted for on termination of the contracts.

iii) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of Fixed Assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the Statement of Profit and Loss when the assets is de-recognised.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

iv) Depreciation on Fixed Assets and Amortization on Intangible assets.

Depreciation on Fixed Assets is calculated on a written down value (WDV) basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.

Intangible assets are amortized over their estimated useful life on a written down value method (WDV).

v) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made to adjust the carrying value to the recoverable amount. The recoverable amount is the greater of the assets estimated net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. If at the Balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

vi) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

vii) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which investments are made are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and fair value determined on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit & loss.

viii) Inventories

Inventories are valued at cost or net realizable value, whichever is lower.

ix) 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

x) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognized in the financial statements.

xi) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax asset is reviewed at each Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit become eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

xii) Segment Reporting

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

Segment revenue and segment results include transfers between business segments. Such transfers are accounted for at the agreed transaction value and such transfers are eliminated in the consolidation of the segments.

Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses, which relate to the company as a whole and are not allocable to segments, are included under unallocated corporate expenses.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

xiii) Employee Benefits

Short term benefits and post employment benefits are accounted in the period during which the services have been rendered.

xiv) Earning Per Share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

xv) Cash Flow Statement

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

SUNSTAR REALTY DEVELOPMENT LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2017

(Amount in Rs)

As at 31.03.2017 As at 31.03.2016

NOTE 2. SHARE CAPITAL

Authorised

250,000,000 (250,000,000) Equity Shares of Re 1 each 250,000,000 250,000,000

Issued Subscribed and Fully Paid up

236,230,000 (236,230,000) Equity Shares of
Re 1 each fully paid up in cash 236,230,000 236,230,000

TOTAL 236,230,000 236,230,000

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

Equity Shares	As at 31.03.2017 No.	As at 31.03.2016 No.
Outstanding at the beginning of the year	236,230,000	23,623,000
Split during the year from F.V. of Rs. 10 to Re. 1 each	-	212,607,000
Outstanding at the end of the year	236,230,000	236,230,000

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

Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
	Nos.	% of Holding	Nos.	% of Holding
Equity Shares of Re 1 each fully paid up Heaven Petrochem Pvt Ltd	440,00,000	18.63	440,00,000	18.63

C. Terms / Rights attached to the Equity Shares

The Company has only one class of equity shares having par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share.

(Amount in Rs)

As at 31.03.2017 As at 31.03.2016

NOTE 3. RESERVES & SURPLUS

a) Securities Premium Account

Balance at the beginning of the year 194,969,716 194,969,716

Balance at the end of the year 194,969,716 194,969,716

b) Surplus in Statement of Profit & Loss

Balance at the beginning of the year 16,478,420 15,418,367

Add: Net Profit for the current year 879,078 1,060,053

Balance at the end of the year 17,357,498 16,478,420

Total 212,327,214 211,448,136

NOTE 4. LONG TERM BORROWINGS

Unsecured Long-Term Borrowings

From Body Corporate 19,600,000 -

Total 19,600,000 -

Notes to Financial Statements as at and for the year ended March 31, 2017

(Amount in Rs)

	As at 31.03.2017	As at 31.03.2016
NOTE 5. SHORT TERM BORROWINGS		
Unsecured Short-Term Borrowings		
From Body Corporate	20,000,000	19,600,000
	<u>20,000,000</u>	<u>19,600,000</u>
NOTE 6. TRADE PAYABLES		
Due to Micro and Small Enterprises *	-	-
Due to others	46,187,122	31,793,324
	<u>46,187,122</u>	<u>31,793,324</u>

* Based on the information/documents available with the Company no creditor is covered under Micro Small and Medium Enterprise Development Act 2006. As a result no interest provisions/ payments have been made by the company to such creditors if any and no disclosures thereof are made in these financial statements.

NOTE 7. OTHER CURRENT LIABILITIES

Liabilities for Expenses	60,341	1,292,905
Statutory Dues	600,900	4,096,064
	<u>661,241</u>	<u>5,388,969</u>

NOTE 8. SHORT TERM PROVISIONS

Provision For Income Tax

Opening Balance	3,713,416	6,879,158
Add During the Year	412,101	492,370
Less Adjusted During the Year	2,972,976	3,658,112
	<u>1,152,541</u>	<u>3,713,416</u>

NOTE 9. FIXED ASSETS

TANGIBLE ASSET

Particulars	Gross Block				Depreciation			Net Block	
	As on 01.04.2016	Additions during the year	Sale Proceeds	As at 31.03.2017	As on 01.04.2016	Dep. For the Year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Computer	284,486	-	-	284,486	208,863	47,686	256,549	27,937	75,623
Furniture	234,946	-	-	234,946	80,380	40,242	120,622	114,324	154,566
Air Conditioner	36,800	-	-	36,800	5,366	5,697	11,063	25,737	31,434
TOTAL	556,232	-	-	556,232	294,609	93,625	388,234	167,998	261,623
Previous Year	519,432	36,800	-	556,232	100,760	193,849	294,609	261,623	418,672

INTANGIBLE ASSET

Particulars	Gross Block				Depreciation			Net Block	
	As on 01.04.2016	Additions during the year	Sale Proceeds	As at 31.03.2017	As on 01.04.2016	Dep. For the Year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Computer Software	15,000	-	-	15,000	2,917	8,293	11,210	3,790	12,083
TOTAL	15,000	-	-	15,000	2,917	8,293	11,210	3,790	12,083
Previous Year	-	15,000	-	15,000	-	2,917	2,917	12,083	

SUNSTAR REALTY DEVELOPMENT LIMITED**Notes to Financial Statements as at and for the year ended March 31, 2017**

(Amount in Rs)

	As at 31.03.2017	As at 31.03.2016
NOTE 10. LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
Capital Advances	366,092,336	368,535,084
Loans Given	94,099,493	44,529,871
Security Deposit	1,087,000	2,190,266
	<u>461,278,829</u>	<u>415,255,221</u>
NOTE 11. INVENTORIES		
Land	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>
NOTE 12. CURRENT INVESTMENTS		
Investments in Unquoted Equity Shares	2,000,000	-
	<u>2,000,000</u>	<u>-</u>
NOTE 13. TRADE RECEIVABLES		
(Unsecured Considered Good)		
Outstanding for a period exceeding six months from the date they are due for payment	1,023,056	16,065,792
Other Receivables	289,375	-
	<u>1,312,431</u>	<u>16,065,792</u>
NOTE 14. CASH & BANK BALANCES		
<i>Cash and Cash Equivalents</i>		
Cash on hand	1,565,490	1,837,212
Balances with Scheduled Bank		
On Current Accounts	2,763,036	10,569,376
	<u>4,328,526</u>	<u>12,406,588</u>
NOTE 15. SHORT TERM LOANS AND ADVANCES		
(Unsecured considered good)		
Advances Recoverable in Cash or in kind	58,440,830	53,437,150
Rent Deposit	-	36,000
Balance with Government Authorities	6,107,059	8,191,111
	<u>64,547,889</u>	<u>61,664,261</u>
NOTE 16. REVENUE FROM OPERATIONS		
Income from Nomination	104,252	304,860
Income from Operations	30,612,245	73,326,968
	<u>30,716,497</u>	<u>73,631,828</u>
NOTE 17. OTHER INCOME		
Interest Income	999,494	1,217,295
Other Non Operating Income	11,289,375	-
	<u>12,288,869</u>	<u>1,217,295</u>

SUNSTAR REALTY DEVELOPMENT LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2017

(Amount in Rs)

	As at 31.03.2017	As at 31.03.2016
NOTE 18. CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventories at the end of the period (A)	2,500,000	2,500,000
Inventories at the beginning of the period (B)	2,500,000	2,500,000
	<u>-</u>	<u>-</u>
NOTE 19. EMPLOYEES BENEFITS EXPENSES		
Salaries & Bonus	1,398,591	1,031,520
Staff Welfare Expenses	146,950	123,439
	<u>1,545,541</u>	<u>1,154,959</u>
NOTE 20. FINANCE COST		
Interest Paid	524,741	14,148
	<u>524,741</u>	<u>14,148</u>
NOTE 21. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Fixed Assets	93,625	193,849
Amortization of Intangible Assets	8,293	2,917
	<u>101,918</u>	<u>196,766</u>
NOTE 22. OTHER EXPENSES		
Operational Expenses	27,551,021	67,611,161
Advertisement Expenses	12,312	28,624
Listing Fees	49,254	992,244
Payment to Auditors	25,000	35,000
Bank Charges	10,043	9,543
Connectivity Charges	210,000	165,660
Compensation Paid	9,784,125	-
Electricity Expenses	19,810	22,600
General Expenses	580,001	263,932
Market Making Fees	-	360,000
Postage & Courier	29,469	35,240
Printing & Stationery	34,873	106,140
Professional Fees	979,000	1,886,050
Registrar Expenses	46,685	42,900
Rent Rates & Taxes	86,873	243,044
Telephone Expenses	18,655	32,031
Travelling & Conveyance Expenses	95,980	114,998
	<u>39,533,101</u>	<u>71,949,167</u>
Payment to Auditors		
Audit Fees	15,000	15,000
Tax Audit Fees	10,000	10,000
Others	-	10,000
	<u>25,000</u>	<u>35,000</u>

SUNSTAR REALTY DEVELOPMENT LIMITED**Notes to Financial Statements as at and for the year ended March 31, 2017**

(Amount in Rs)

As at 31.03.2017 **As at 31.03.2016****NOTE 23. EARNINGS PER EQUITY SHARE**

Basis for calculation of Basic and Diluted Earnings Per Share is as under:

Profit after tax (Rs.)	879,078	1,060,053
Weighted Average Number of Equity Shares (Nos)	236,230,000	199,052,820
Face Value of each Equity Share (Rs.)	1	1
Basic and Diluted Profit Per Equity Share (Rs.)	0.00	0.01

24. Related Party Transactions

Name of related parties in Transactions with company and description of relationship

Key Managerial Personnel:

Mr Manoj Mehrotra	Managing Director	upto December 31, 2016
Mr Nitin Kishor Boricha	Whole time Director	w.e.f. December 31, 2016
Ms Priyanka Sen	Company Secretary	upto November 14, 2016
Mr Prashant Agarwal	Company Secretary	w.e.f. March 31, 2017

25. Transaction with Related Parties during the Year

Name	Nature of Transaction	Year ending March 31, 2017	Year ending March 31, 2016
Mr Manoj Mehrotra	Remuneration Paid	225,000	220,161
Mr Nitin Kishor Boricha	Remuneration Paid	45,000	—
Ms Priyanka Sen	Remuneration Paid	70,424	—
Mr Prashant Agarwal	Remuneration Paid	387	—
Ms Kavita Patel*	Remuneration Paid	—	80,650
Ms Preeti Yadav**	Remuneration Paid	—	82,334

* Ms Kavita Patel was Executive director and she resigned on July 07, 2015

** Ms Preeti Yadav was Company Secretary and she resigned on November 14, 2015

26. In terms of Accounting Standard 17 – “Segment Reporting” notified by Companies Act, 2013, the Company has only one reportable business segment and have only one reportable geographic segment in India.

27. Contingent Liabilities: Nil (Previous Year – Nil)

28. Certain Balances of parties under sundry debtors, creditors, loans and advances are subject to confirmations/reconciliation.

29. There was no expenditure/earning in Foreign Currency during the year.

SUNSTAR REALTY DEVELOPMENT LIMITED

30. As informed there are no dues to Micro Small and Medium Enterprises as on March 31, 2017.

31. During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification no. G.S.R 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	114,867	114,867
(+) Permitted receipts	-	-	-
(-) Permitted Payments	-	54,100	54,100
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	60,767	60,767

*For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no S.O.3407(E), dated November 8, 2016.

32. Deferred Tax

(Amount in Rs)

Particulars	Year Ending March 31, 2017	Year Ending March 31, 2016
Fixed Asset as per Income Tax Act	232,159	300,486
Fixed Asset as per Companies Act	171,788	273,706
Deferred Tax Assets	18,655	8,275

33. The Previous year's figures have been regrouped, reclassified or rearranged wherever necessary.

For JV Modi & Co
Chartered Accountants
Firm Regn No:137951W

For and on behalf of the Board of Directors

CA JV Modi
Proprietor
Membership No 156821
Place : Mumbai
Date: May 30, 2017

Nitin Kishor Boricha
Whole Time Director
DIN 05245737

Sonal Jayprakash Bhatt
Director
DIN 03157849

Prashant Agarwal
Company Secretary