

# M/s B.P.JAIN & CO.

## Chartered Accountants

2, GEEGEE MINAR  
23, COLLEGE ROAD  
CHENNAI -600006  
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### INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF VAIKUNT HOUSING LIMITED,

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

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

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and



perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

### **Emphasis of Matters**

***We draw attention to the following matters in the Notes to the financial statements:-***

***Note-4 in the financial statements which indicate that the Company has accumulated losses Rs.31,95,726 /- and its net worth has been fully eroded, the Company has not incurred loss/cash loss during the current and previous years. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis stated in the Note-2(a).***

***Our opinion is not modified in respect of these matters.***

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b). In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and company has no branches.



- (c). Since the company has no branches the clause (c) is not applicable.
- (d). The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e). In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f). The going concern matter described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (g). On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h). 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".
- (i). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, so the disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company.



For B.P JAIN & CO,  
CHARTERED ACCOUNTANTS  
FRN: 050105S

DEVENDRA KUMAR BHANDARI  
PARTNER  
MEMBERSHIP NO: 208862

PLACE: CHENNAI  
DATE: 30.05.2017.

## "Annexure A" to the Independent Auditors' Report

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

1. According to the information and explanation given to us, the company does not have any fixed assets. Therefore the provisions of clause 3 (i) (a) to (c) of the order are not applicable to the company.
2. According to the information and explanation given to us, the company does not have any inventory. Therefore the provisions of clause 3(ii) of the order are not applicable to the company.
3. According to information and explanations given to us and on the basis of our examination of the books of account, The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3 (iii) (a) to (c) of the order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2017 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. The Central Government has not specified maintenance of cost records for the company under sub-section (1) of section 148 of the Companies act, 2013.
7.
  - (a). The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and any other statutory dues with the appropriate authorities except on certain occasions irregularities were noticed. According to information and explanations given to us there were no statutory dues as on 31<sup>st</sup> of March, 2017 for a period of more than six months from the date they became payable.
  - (b). According to the information and explanations given to us, the company has no dues of income tax, Sales Tax, Service Tax, duty of Customs, duty of Excise or Value Added Tax which has not been deposited on the account of any disputes, except in the case of Service Tax, details of which is as follows :-



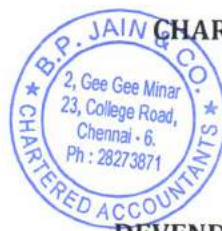
Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994 (Service Tax)	Service Tax	Rs.23,97,303/-	2007-2008 & 2008-2009	CESTAT, Chennai
Finance Act, 1994 (Service Tax)	Service Tax	Rs.7,87,509/-	2007-2008 & 2008-2009	CESTAT, Chennai

8. The Company has not availed any loan from Banks and Financial institutions and company has not issued any debentures, hence the question of default does not arise.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with



directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



For B.P JAIN & CO,  
CHARTERED ACCOUNTANTS  
FRN: 050105S

DEVENDRA KUMAR BHANDARI  
PARTNER  
MEMBERSHIP NO: 208862

PLACE: CHENNAI  
DATE: 30.05.2017.

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

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 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 authorisations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

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

For B.P JAIN & CO,  
CHARTERED ACCOUNTANTS  
FRN: 050105S



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DEVENDRA KUMAR BHANDARI  
PARTNER  
MEMBERSHIP NO: 208862

PLACE: CHENNAI  
DATE: 30.05.2017.

**VAIKUNT HOUSING LIMITED**  
 REGD.OFF.# 3, GANAPATHY COLONY, 3RD STREET, OFF.CENOTAPH ROAD  
 TEYNAMPET, CHENNAI - 600018  
 CIN : U70101TN2005PLC056345

Balance Sheet as at 31.03.2017

	Particulars	Note No.	Figures as at the end of current reporting period (31/03/2017)	Figures as at the end of current reporting period (31/03/2016)
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	a) Share Capital	3	5,00,000	5,00,000
	b) Reserves and Surlpus	4	(31,95,726)	(32,49,791)
<b>2</b>	<b>Non- current liabilities</b>			
	a) Long term borrowings	5	1,38,28,429	1,34,37,350
<b>3</b>	<b>Current liabilities</b>			
	a) Trade payables	6	3,49,272	3,49,272
	b) Other current liabilities	7	9,85,230	8,22,156
	c) Short term provisions	8	12,727	2,92,070
	<b>TOTAL</b>		<b>1,24,79,932</b>	<b>1,21,51,057</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Current assets</b>			
	a) Trade receivables	9	72,76,120	69,67,124
	b) Cash and cash equivalents	10	61,217	66,675
	c) Short - term loans and advances	11	51,42,595	51,17,258
	Notes Forming part of the financial statements	(1-16)		
	<b>TOTAL</b>		<b>1,24,79,932</b>	<b>1,21,51,057</b>

As per our report of even date  
 FOR B.P.JAIN & CO.,  
 CHARTERED ACCOUNTANTS

*B.P.Jain*



**DEVENDRA KUMAR BHANDARI**  
 (PARTNER)  
 Membership No.208862

Place: Chennai  
 Date: 30-05-2017

For and on behalf of the Board of Directors  
 FOR VAIKUNT HOUSING LIMITED

*Vimal Lunawath*

**VIMAL LUNAWATH**  
 DIRECTOR  
 DIN:00586269

*Kamal Lunawath*

**KAMAL LUNAWATH**  
 DIRECTOR  
 DIN:00087324

**VAIKUNT HOUSING LIMITED**  
**REGD.OFF.# 3, GANAPATHY COLONY, 3RD STREET, OFF.CENOTAPH ROAD**  
**TEYNAMPET, CHENNAI - 600018**  
**CIN : U70101TN2005PLC056345**

**Statement of Profit and loss for the year ended 31.03.2017**

	Particulars	Note No.	Figures as at the end of current reporting period (31/03/2017)	Figures as at the end of current reporting period (31/03/2016)
	<b>REVENUE</b>			
I	Other Income	12	3,43,329	2,95,464
II	Total Revenue		<b>3,43,329</b>	<b>2,95,464</b>
	<b>EXPENSES</b>			
III	Other expenses	13	2,76,536	2,49,755
IV	Total expenses		<b>2,76,536</b>	<b>2,49,755</b>
V	Profit before tax ( II - IV)		66,793	45,709
VI	Tax expense: 1) Current tax 2) Deferred tax		12,728 -	8,996 -
VII	Profit (Loss) for the period (V - VI)		54,065	36,713
VIII	Earnings per equity share: 1) Basic 2)Diluted		1.08 1.08	0.73 0.73
	Notes forming part of the financial statements	(1-16)		

As per our report of even date  
**FOR B.P.JAIN & CO.,**  
**CHARTERED ACCOUNTANTS**




**DEVENDRA KUMAR BHANDARI**  
**(PARTNER)**  
**Membership No.208862**

Place: Chennai  
 Date: 30-05-2017

For and on behalf of the Board of Directors  
**FOR VAIKUNT HOUSING LIMITED**



**VIMAL LUNAWATH**  
**DIRECTOR**  
**DIN:00586269**



**KAMAL LUNAWATH**  
**DIRECTOR**  
**DIN:00087324**

**VAIKUNT HOUSING LIMITED**  
 REGD.OFF.# 3, GANAPATHY COLONY, 3RD STREET, OFF.CENOTAPH ROAD  
 TEYNAMPET, CHENNAI - 600018  
 CIN : U70101TN2005PLC056345  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2017**

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	31-03-2017 (12 MONTHS )	31-03-2016 (12 MONTHS )
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss Before Tax and Extraordinary Items	66,793	45,709
Adjustments for :		
Interest and Finance Income	(3,43,329)	(2,95,464)
<b>Operating Profit Before Working capital Changes</b>	<b>(2,76,536)</b>	<b>(2,49,755)</b>
Adjustments for Working Capital changes		
(Increase) / Decrease in short term loans & advances	(25,337)	(38,542)
(Increase) / Decrease in trade receivables and other current assets	(3,08,996)	(2,65,918)
Increase / (Decrease) in Short Term Provisions	(2,79,343)	8,996
Increase / (Decrease) in Trade Payables & other current liabilities	1,63,074	(1,24,451)
<b>Cash From operations before Tax and Extraordinary items</b>	<b>(7,27,137)</b>	<b>(6,69,670)</b>
Income Tax Paid	(12,728)	-
Cash From operations before Extraordinary items	(7,39,865)	(6,69,670)
Extraordinary Items	-	-
<b>Cash flow from Operating Activities</b>	<b>(7,39,865)</b>	<b>(6,69,670)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest & Finance Income	3,43,329	2,95,464
<b>Net Cash from Investing Activities</b>	<b>3,43,329</b>	<b>2,95,464</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowing /(Repayment of Loan )	3,91,079	3,76,191
Interest & Finance Charges	-	-
<b>Net Cash from Financing Activities</b>	<b>3,91,079</b>	<b>3,76,191</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(5,458)</b>	<b>1,985</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>66,675</b>	<b>64,690</b>
<b>F. CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>61,217</b>	<b>66,675</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For B.P. Jain & Co.

Chartered Accountants

Firm Reg No. 050105S

*B.P. Jain*



CA. Devendra Kumar Bhandari

Partner

Membership No.: 208862

Place : Chennai

Date: 30-05-2017

For and on behalf of the Board of Directors  
For VAIKUNT HOUSING LIMITED

*Kamal Lunawath*

KAMAL LUNAWATH  
DIRECTOR  
DIN:00087324

*Vimal Lunawath*

VIMAL LUNAWATH  
DIRECTOR  
DIN:00586269

## VAIKUNT HOUSING LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### **NOTE-1:**

##### **CORPORATE INFORMATION**

The company VAIKUNT HOUSING LIMITED has registered office at No.3, GANAPATHY COLONY, 3rd STREET, OFF.CENOTAPH ROAD, TEYNAMPET, CHENNAI – 600018 and has the ability to control its operating and financial policies.

#### **NOTE-2: SIGNIFICANT ACCOUNTING POLICIES**

##### **(a). BASIS OF ACCOUNTING**

These financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on the accrual basis as a going concern. These financial statements have been prepared to comply in all material aspects with the applicable Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013.

##### **(b). BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements requires estimates/assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimate are recognized in the period in which the results are known / materialized.

##### **(c). USE OF ESTIMATES**

The preparation of financial statement in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at date of the financial statements and the reported accounts of revenues and expenses for the years presented. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates

##### **(d). REVENUE RECOGNITION**

The company recognizes its revenue when it is virtually certain that the amount will be collected in future and there is no uncertainty regarding their collection and amount is reliably measured at the time of recognition of revenue. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

##### **(e). REMUNERATION TO AUDITORS**

Particulars	31.03.2017 (Rs.)	31.03.2016 (Rs.)
Statutory Audit Fee	Rs.1,95,500 /-	Rs.1,94,650 /-

**(f). VALUATION OF INVENTORIES**

There are no inventories in the business.

**(g). FIXED ASSETS**

There are no fixed assets in the business.

**(h). TAXATION**

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws that are enacted or substantially enacted.

Deferred Tax is recognized on timing differences, being the differences between taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward, only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year end, based on the tax rates and laws enacted or substantially enacted on the balance sheet date. No deferred tax asset is recognized due to absence of virtual certainty.

**(i). CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise of cash at bank, cash in hand & other bank balances.

**(j). PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

In the year of 2012-13, the service tax department has raised a demand of Rs.23, 97,303/-.

The company has disputed the demand on the grounds that, the department has demanded service tax for a period for which service tax was not applicable to the company. Also, the department has calculated service tax on land also, which is not a taxable service. Hence service tax demanded is higher than actual tax leviable. The company has duly paid its share of service tax on the construction services provided by it. Out of the total amount, Rs.16, 09,794/- was already paid while the balance Rs.7, 87,509/- stands unpaid.

**(k). EARNING PER SHARE**

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

EARNING PER SHARE FOR 31/03/2017 Is Rs.1.08 /-

**(m). DISCLOSURE OF LOANS FROM MEMBERS, DIRECTORS OR THEIR RELATIVES BEFORE 01.04.2014:-**  
(As per Clarification Regarding Applicability of Companies [Acceptance of Deposit] Rules, 2014  
(General Circular No.05/2015, Dated – 30.03.2015)

<b>ACCOUNTING HEAD</b>	<b>31-03-2017</b>	<b>31-03-2016</b>
<b>UNSECURED LOANS*</b>	<b>AMOUNT(Rs.)</b>	<b>AMOUNT(Rs.)</b>
From Directors	5,50,000	5,50,000
From Others	1,25,000	1,25,000
<b>Total</b>	<b>6,75,000</b>	<b>6,75,000</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at 31.03.2017	As at 31.03.2016
3	<b>SHARE CAPITAL</b>		
	Authorised		
	10000000 equity shares of Rs.1/- each	1,00,00,000	1,00,00,000
	<b>Issued,subscribed &amp; Fully paid up</b>		
	500000 equity shares of Rs.1/- each	5,00,000	5,00,000
	Details of shares held by share holders holding more than 5% of the aggregate shares in the Company	5,00,000	5,00,000
	Arihant Foundations & Housing Ltd	500000 (100%)	500000 (100%)
4	<b>RESERVE &amp; SURPLUS</b>		
	<b>Profit &amp; Loss Account</b>		
	Opening balance	(32,49,791)	(32,86,504)
	Add: current year profit / (loss)	54,065	36,713
	Closing balance	<b>(31,95,726)</b>	<b>(32,49,791)</b>
5	<b>LONG TERM BORROWINGS</b>		
	<u>Unsecured</u>		
	<u>Loans &amp; Advances from Related Parties</u>	1,38,28,429	1,34,37,350
6	<b>TRADE PAYABLES</b>		
	Sundry creditors for purchases	2,07,459	2,07,459
	Sundry creditors for expenses	1,41,813	1,41,813
		<b>3,49,272</b>	<b>3,49,272</b>
7	<b>OTHER CURRENT LIABILITIES</b>		
	Expenses payable	9,68,230	8,05,156
	Duties Taxes	17,000	17,000
		<b>9,85,230</b>	<b>8,22,156</b>
8	<b>SHORT TERM PROVISIONS</b>		
	Provision for Taxation	12,727	2,92,070
		<b>12,727</b>	<b>2,92,070</b>
9	<b>TRADE RECEIVABLES</b>		
	<u>Trade Receivable outstanding for period of exceeding six months from the date they are due for payments</u>		
	<u>Unsecured and considered good</u>		
	<u>Trade Receivable due by private companies,firms in which directors are directors are directors or partners or directors</u>	27,40,385	24,74,467
	<u>Others</u>	42,26,739	42,26,739
	<u>Trade Receivable outstanding for a period of less than six months from the date they are due for payment</u>		
	<u>Trade Receivables due by private companies,firms in which directors are directors are directors or partners or Directors</u>	3,08,996	2,65,918
	<u>Others</u>	<b>72,76,120</b>	<b>69,67,124</b>
10	<b>CASH AND CASH EQUIVALENTS</b>		
	Balance with banks	21,669	27,127
	Cash Balance	39,548	39,548
		<b>61,217</b>	<b>66,675</b>
11	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	<u>Unsecured and considered good</u>		
	- Companies	68,000	68,000
	- Others	7,50,000	7,50,000
	Advances to sundry creditors	26,17,804	26,17,804
	Balance with Revenue Authorities	17,06,791	16,81,454
		<b>51,42,595</b>	<b>51,17,258</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at 31.03.2017	As at 31.03.2016
12	<b>OTHER INCOME</b>		
	Interest Received	3,43,329	2,95,464
		<b>3,43,329</b>	<b>2,95,464</b>
13	<b>OTHER EXPENSES</b>		
	<u>Audit Fees</u>		
	- Statutory Audit	1,95,500	1,94,650
	Bank Charges	406	515
	Filing Fees	60,579	-
	Interest - TDS	-	1,500
	Professional Charges	15,000	53,090
	General Expenses	5,051	
		<b>2,76,536</b>	<b>2,49,755</b>

14 RELATED PARTY DISCLOSURES

S. No	Name of the Party / Nature of relationship	Nature of Transaction	Amount during the year 31-03-2017	Balance as on 31-03-2017
1	Arihant Foundations / Firm in which Director and Holding Company are partners	Existing loan (Cr)	NIL (NIL)	1,25,000 (1,25,000)
2	Kamal Lunawath / Director	Existing loan (Cr)	NIL (NIL)	5,50,000 (5,50,000)
3	Arihant Foundations & Housing Ltd / Holding Company	Loans taken	3,91,079 (3,76,191)	1,31,53,429
		Repayment of loan	NIL NIL	(1,27,62,350)
4	Vimal Lunawath (Trade Receivable)	Interest received	3,08,996 (2,65,918)	22,16,381 (19,07,385)
5	Varenya Constructions Limited / Fellow Subsidiary	Trade receivable (Dr)	NIL (NIL)	8,33,000 (8,33,000)

Note:- Previous year figures are given within brackets

15A CONTINGENT LIABILITIES

Liabilities not acknowledged as debt:

In the year of 2012-13, the service tax department has raised a demand of Rs.23,97,303/-. The company has disputed the demand on the grounds that, the department has demanded service tax for a period for which service tax was not applicable to the company. Also, the department has calculated service tax on land also, which is not a taxable service. Hence service tax tax demanded is higher than actual tax leviable. The company has duly paid its share of service tax on the construction services provided by it. Out of the total amount, Rs.16,09,794/- was already paid while the balance Rs.7,87,509/- stands unpaid.

15B Previous years figures have been regrouped wherever necessary in balance sheet.

16 Notes 1 to 16 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.