

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 VARENYA CONSTRUCTIONS LTD,

Report on the Financial Statements

We have audited the accompanying financial statements of VARENYA CONSTRUCTIONS LTD ("the Company") which comprise the Balance Sheet as at March 31, 2016, 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, 2016, and its loss 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.9,79,01,189 /- and its net worth has been fully eroded, the Company has incurred net loss Rs.94,65,875 /- during the current year and Rs.2,12,85,145 /- in the previous year and, the Company's current liabilities exceeded its current assets as at the balance sheet date. 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M/S. B.P.JAIN & CO
CHARTERED ACCOUNTANTS
Firm Registration Number: 0501055



Devendra

DEVENDRA KUMAR BHANDARI
PARTNER
Membership Number: 208862

Place: Chennai
Date: 23-05-2016

"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, 2016:

1. In respect of the Company's fixed assets :
 - (a). The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b). As explained to us, fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification and if so, and the same have been properly dealt with in the books of account.
 - (c). The Title Deeds of Immovable Properties are held in the name of 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, 2016 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 31st of March, 2016 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.

8. The Company has availed loan from Bank and company has not issued any debentures, the Company has not defaulted in repayment of loan to bank.
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-I of the Reserve Bank of India Act, 1934.

Place: Chennai
Date: 23-05-2016



For M/S. B.P.JAIN & CO
CHARTERED ACCOUNTANTS
Firm Registration Number: 0501055

[Signature]

DEVENDRA KUMAR BHANDARI
PARTNER
Membership Number: 208862

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of VARENYA CONSTRUCTIONS LTD

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 VARENYA CONSTRUCTIONS LTD (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For M/S. B.P.JAIN & CO

CHARTERED ACCOUNTANTS

Firm Registration Number: 0501055



DEVENDRA KUMAR BHANDARI
PARTNER

Membership Number: 208862


Place: Chennai

Date: 23-05-2016

VARENIA CONSTRUCTIONS LTD
REGD.OFF.# 3, GANAPATHY COLONY, 3RD STREET, OFF.CENOTAPH ROAD
TEYNAMPET, CHENNAI - 600018
Balance Sheet as at 31.03.2016


	Particulars	Note No.	Figures as at the end of current reporting period (31/03/2016)	Figures as at the end of current reporting period (31/03/2015)
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	a) Share Capital	3	5,00,000.00	5,00,000.00
	b) Reserves and Surplus	4	(9,79,01,188.77)	(8,84,35,314.02)
2	Non- current liabilities			
	a) Long term borrowings	5	40,02,55,836.76	33,10,88,235.00
	b) Defer tax liability		-	-
3	Current liabilities			
	a) Other current liabilities	6	57,61,195.00	94,24,973.00
	TOTAL		30,86,15,842.99	25,25,77,893.98
II	ASSETS			
1	Non- current assets			
	a) Fixed assets			
	i. Tangible assets	7	10,81,892.00	-
	ii. Intangible assets	8	25,61,75,892.97	24,05,98,469.94
2	Current assets			
	a) Trade receivables	9	4,77,50,377.00	1,05,42,901.00
	b) Cash and cash equivalents	10	6,19,344.02	1,85,137.04
	c) Short - term loans and advances	11	29,88,337.00	12,51,386.00
	Significant accounting policies and Notes forming part of the financial statements	(1-18)		
	TOTAL		30,86,15,842.99	25,25,77,893.98


As per our report of even date
FOR B.P.JAIN & CO.,
CHARTERED ACCOUNTANTS
Firm Reg No. 050105S


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

Place: Chennai
Date: 23.05.2016

For and on behalf of the Board of Directors
FOR VARENIA CONSTRUCTIONS LTD


KAMAL LUNAWATH
DIRECTOR


VIMAL LUNAWATH
DIRECTOR

VARENIA CONSTRUCTIONS LTD
REGD.OFF.# 3, GANAPATHY COLONY, 3RD STREET, OFF.CENOTAPH ROAD
TEYNAMPET, CHENNAI - 600018

Statement of Profit and loss for the year ended 31.03.2016

	Particulars	Note No.	Figures as at the end of current reporting period (31/03/2016)	Figures as at the end of previous reporting period (31/03/2015)
I	REVENUE Other Income	12	3,78,68,618.15	97,08,480.00
II	Total Revenue		3,78,68,618.15	97,08,480.00
III	EXPENSES Employee benefits expense	13	95,27,932.73	-
	Financial costs	14	3,59,89,173.88	3,01,85,561.00
	Depreciation and amortization expenses		44,444.00	-
	Other expenses	15	17,72,942.29	8,08,064.00
IV	Total expenses		4,73,34,492.90	3,09,93,625.00
V	Profit before tax Profit before exceptional and extraordinary items and tax		(94,65,874.75)	(2,12,85,145.00)
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax		(94,65,874.75)	(2,12,85,145.00)
VIII	Extraordinary Items		-	-
IX	Profit before tax		(94,65,874.75)	(2,12,85,145.00)
X	Tax expense: 1) Current tax 2) Deferred tax		- -	- -
	Profit / (Loss) for the period		(94,65,874.75)	(2,12,85,145.00)
	Earnings per equity share: 1) Basic 2) Diluted		(189.32) (189.32)	(425.70) (425.70)
	Significant accounting policies and Notes forming part of the financial statements	(1-18)		

As per our report of even date
FOR B.P.JAIN & CO.,
CHARTERED ACCOUNTANTS
Firm Reg No. 0501055



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

Place: Chennai
Date: 23.05.2016

For and on behalf of the Board of Directors
FOR VARENIA CONSTRUCTIONS LTD



KAMAL LUNAWATH
DIRECTOR

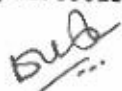


VIMAL LUNAWATH
DIRECTOR

VARENYA CONSTRUCTIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

PARTICULARS	31.03.2016	31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax and Extraordinary Items	(94,65,874.75)	(2,12,85,145.00)
Add / (Less):-		
Depreciation	44,444.00	-
Profit on sale of TDR	(3,38,30,652.15)	-
Interest received	(40,37,486.00)	(1,21,377.00)
Interest paid	3,59,89,173.88	6,03,71,122.00
	(18,34,520.27)	6,02,49,745.00
Cash flow from operating activities before working capital changes	(1,13,00,395.02)	3,89,64,600.00
Adjustments for working capital changes :-		
(Increase) / Decrease in Trade Receivables	(3,72,07,476.00)	(90,89,598.00)
(Increase) / Decrease in Current Assets, Loans & Advances	(17,36,951.00)	(9,65,128.00)
Increase / (Decrease) in Current Liabilities	(36,63,778.00)	14,15,373.00
	(4,26,08,205.00)	(86,39,353.00)
Extraordinary items	-	-
Taxes Paid	-	-
Net Cash flow from Operations	(5,39,08,600.02)	3,03,25,247.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(3,71,15,509.88)	(3,01,85,561.00)
Interest received	40,37,486.00	1,21,377.00
Proceeds from utilization of TDR	5,42,42,403.00	-
Net Cash from Investing activities	2,11,64,379.12	(3,00,64,184.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(3,59,89,173.88)	(6,03,71,122.00)
Proceeds from / (repayments of) Borrowings	6,91,67,601.76	6,01,27,179.00
Net Cash From Financing Activities	3,31,78,427.88	(2,43,943.00)
D. Net Increase In Cash And Cash Equivalents (A+B+C)	4,34,206.98	17,120.00
E. Add: Opening Cash And Cash Equivalents	1,85,137.04	1,68,017.04
F. Closing Cash & Cash Equivalents	6,19,344.02	1,85,137.04

As per our report of even date
FOR B.P.JAIN & CO.,
CHARTERED ACCOUNTANTS
Firm Reg No. 0501055



CA. DEVENDRA KUMAR BHANDARI
(PARTNER)
Membership No.208862
Place: Chennai
Date: 23.05.2016

For and on behalf of the Board of Directors
FOR VARENYA CONSTRUCTIONS LIMITED



KAMAL LUNAWATH
DIRECTOR



VIMAL LUNAWATH
DIRECTOR

VARENYA CONSTRUCTIONS LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE-1:

CORPORATE INFORMATION

The company VARENYA CONSTRUCTIONS LTD 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:

A.SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

2. 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.

B. NOTES FORMING PART OF ACCOUNTS

a) 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.

b) Fixed Assets :-

Fixed assets are stated at Cost less Accumulated depreciation. Cost of acquisition is inclusive of purchase price, levies, incidental expenditure and any directly attributable cost of bringing the assets to its working condition for the intended use.

c) Valuation of Inventories :-

There are no inventories in the business.

d) Employee benefits :-

- i. Contributions to the Provident Fund are paid to the Government are charged against revenue on accrual basis.
- ii. All short term employee benefit plans such as salaries and medical benefits which fall due within 12 months of the period in which the employee renders the related services which

entitles him to avail such benefits are recognized on an undiscounted basis and charged to the profit and loss account.

e) 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.

f) Contingencies and Events occurring after the Balance Sheet Date- NIL

g) Depreciation & Amortisation Expense:-

Depreciation on fixed assets provided on written down value method based on useful life of Assets
Provided under Part-C of Schedule II of the Companies Act 2013.

h) Audit Fees :-

Particulars	31/03/2016	31/03/2015
Statutory Audit Fees	Rs.1,94,650 /-	Rs.1,91,012 /-

i) 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.

j) Disclosure of Loans From Members, Directors or Their Relative 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))

ACCOUNTING HEAD	31-03-2016	31-03-2015
UNSECURED LOANS	Rs. 10,000	Rs. 10,000

k) Earnings 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.

Earnings Per Share for the year ended 31/03/2016 is Rs.(189.32) per share

l) Previous period's figures have been reclassified / regrouped to confirm to current year's classification.

NOTES TO THE FINANCIAL STATEMENTS

		As at 31.03.2016	As at 31.03.2015
3	SHARE CAPITAL		
	Authorized		
	50000 equity shares of Rs.10/- each	5,00,000.00	5,00,000.00
	Issued,subscribed & Fully paid up		
	50000 equity shares of Rs.10/- each	5,00,000.00	5,00,000.00
		5,00,000.00	5,00,000.00
	Details of shares held by share holders holding more than 5% of the aggregate shares in the Company		
	Arihant Foundations & Housing Ltd and with its nominees	50000 (100%)	50000 (100%).
4	RESERVE & SURPLUS		
	<u>Profit & Loss Account</u>		
	Opening Balance	(8,84,35,314.02)	(6,71,50,169.02)
	Add: profit for the year	(94,65,874.75)	(2,12,85,145.00)
	Closing Balance	(9,79,01,188.77)	(8,84,35,314.02)
5	LONG TERM BORROWINGS		
	<u>Secured loans</u>		
	Kotak Mahindra Prime Ltd - Honda Car EMI	5,54,206.00	-
	<u>Unsecured loans</u>		
	<u>Loans & Advances from Related Parties</u>		
	Inter Companies Deposits	39,96,91,630.76	33,10,78,235.00
	From Directors	10,000.00	10,000.00
		40,02,55,836.76	33,10,88,235.00
6	OTHER CURRENT LIABILITES		
	Payables	57,61,195.00	94,24,973.00
		57,61,195.00	94,24,973.00
7	FIXED ASSETS		
	<u>i.Tangible Assets</u>		
	Air Conditioner	2,93,824.00	-
	Laptop	14,250.00	-
	Honda Jazz Car	8,18,262.00	-
	Less : Depreciation	(44,444.00)	-
	Closing balance	10,81,892.00	-
8	<u>ii. Intangible Assets</u>		
	<u>TDR</u>		
	Opening balance	24,05,98,469.94	21,04,12,908.94
	Add: Additions	3,59,89,173.88	3,01,85,561.00
	Less: Deletions	2,04,11,750.85	-
	Closing balance	25,61,75,892.97	24,05,98,469.94
9	TRADE RECEIVABLES		
	<u>Trade Receivables (Unsecured and considered good)</u>		
	- More than six months		

VARENYA CONSTRUCTIOSNS LTD

	Directors	7,29,542.00	7,29,542.00
	Others	3,18,66,759.00	98,13,359.00
	<u>Trade Receivables (Unsecured and considered good)</u> <u>- Less than six months</u>		
	<u>Directors</u>	1,18,186.00	-
	<u>Others</u>	1,50,35,890.00	-
		4,77,50,377.00	1,05,42,901.00
10	CASH AND CASH EQUIVALENTS		
	Balance with banks	5,30,637.02	96,430.04
	Cash Balance	88,707.00	88,707.00
		6,19,344.02	1,85,137.04
11	SHORT TERM LOANS & ADVANCES		
	<u>Unrelated parties</u>		
	Loans & Advances	29,88,337.00	12,51,386.00
		29,88,337.00	12,51,386.00
12	OTHER INCOME		
	Profit on utilization of TDR	3,38,30,652.15	-
	Interest on Income Tax Refund Received	480.00	-
	Interest Received	40,37,486.00	1,21,377.00
	Marketing Fees Received	-	95,87,103.00
		3,78,68,618.15	97,08,480.00
13	Employee benefits expense :		
	Staff Salary	86,20,015.73	
	Staff Welfare	3,10,263.00	
	PF Employer Contribution	5,97,654.00	-
		95,27,932.73	-
14	FINANCE COST		
	Interest Expense	3,59,89,173.88	3,01,85,561.00
		3,59,89,173.88	3,01,85,561.00
15	OTHER EXPENSES		
	Bank Charges	182.29	142.00
	Conveyance Expenses	1,06,466.00	-
	Filing Fees and others	2,121.00	3,600.00
	Interest on TDS	8,58,845.00	5,48,410.00
	Insurance Charges	6,716.00	-
	Printing and Stationery	2,300.00	-
	Income Tax	-	5,720.00
	General Expenses	2,43,270.00	3,000.00
	Legal and Professional Charges (refer note below)	5,45,570.00	2,47,192.00

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	Telephone Expenses	7,472.00	-
		17,72,942.29	8,08,064.00
	Note:- Professional charges includes auditor's remuneration		
	<u>Auditor's Remuneration</u> - Statutory Audit Fees	1,94,650.00 1,94,650.00	1,91,012.00 1,91,012.00

16 RELATED PARTY DISCLOSURES
a. Related Parties and their relationship

Sl. No	Name	Nature of Relationship
1	Arihant foundations and Housing Ltd	Holding Company
2	Arihant foundations and Housing	Firm in which holding company & director is a partner
3	Arihant Griha Ltd.	Fellow Subsidiary
4	Vaikunt Housing Ltd	Fellow Subsidiary
Key Management Personnel		
1	Kamal Lunawath	Director
2	Vimal Lunawath	Director

b. Transactions with related parties during the year:

Sl. No	Name of the Party	Nature of Transaction	Amount(Rs.)
1	Arihant foundations and Housing Ltd.	Loan Taken	9,01,31,738.76
		Loan Repaid	2,15,18,343.00
		Interest Accrued	7,19,66,811.76
2	Arihant Griha Ltd	Loan Taken	4,82,586.00
3	Vimal Lunawath	Interest Receivable	1,31,318.00

c. Year end balances of related parties

Sl. No	Name of the Party	Amount as at 31.03.2016	Amount as at 31.03.2015
1	Arihant foundations and Housing Ltd- Long Term Borrowings	39,96,91,630.76	33,10,78,235.00
2	Arihant Griha Ltd.- Other Current Liabilities	13,64,586.00	8,82,000.00
3	Vaikunt Housing Ltd- Other Current Liabilities	8,33,000.00	8,33,000.00
4	Kamal Lunawath- Long Term Borrowings	10,000.00	10,000.00
5	Vimal Lunawath- Trade Receivable	8,47,728.00	7,29,542.00

17 Previous years figures have been regrouped / reclassified wherever necessary.

18 Notes 1 to 18 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

SUBSCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016	As at 31.03.2015
LONG TERM BORROWINGS		
<u>Inter Companies Deposits</u>		
Arihant Foundations and Housing Limited	39,96,91,630.76	33,10,78,235.00
Kamal Lunawath	10,000.00	10,000.00
	39,97,01,630.76	33,10,88,235.00
OTHER CURRENT LIABILITES		
Payables		
Arihant Griha Ltd	13,64,586.00	8,82,000.00
Redstone Realtors Pvt Ltd	8,74,032.00	1,11,000.00
Vaikunt Housing Ltd	8,33,000.00	8,33,000.00
B.P.Jain & co	4,06,927.00	3,55,664.00
Professional Tax Payable	96,571.00	2,130.00
Provision for Income Tax	-	-
TDS payable	17,000.00	60,56,213.00
ESIC Payable	31,744.00	-
Provident Fund Payable	59,536.00	-
Salary Payable	8,92,833.00	-
Service Tax Payable	11,84,966.00	11,84,966.00
	57,61,195.00	94,24,973.00
TRADE RECEIVABLES		
<u>More than six months</u>		
<u>Directors</u>		
Vimal Lunawath	7,29,542.00	7,29,542.00
<u>Firms in which director is a partner</u>		
Arihant foundations and housing (partnership firm)	-	-
	7,29,542.00	7,29,542.00
<u>Others</u>		
Etica developers p ltd	3,00,53,400.00	-
Arihant Unitech Realty Projects Ltd	18,13,359.00	98,13,359.00
	3,18,66,759.00	98,13,359.00
<u>Less than six months</u>		
<u>Directors</u>		
Vimal Lunawath	1,18,186.00	-
<u>Others</u>		
Sumanth & co	1,20,35,890.00	-
Arihant Hospitality Chennai Pvt Ltd	30,00,000.00	-
CASH AND CASH EQUIVALENTS		
<u>Balance with banks</u>		
Indian Overseas Bank	17,034.71	17,166.00

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	Kotak Mahindra Bank Ltd	3,62,916.31	49,134.04
	Vijaya Bank - 52	1,50,686.00	30,130.00
		5,30,637.02	96,430.04
	SHORT TERM LOANS & ADVANCES		
	Staff Advance	13,57,067.00	32,500.00
	TDS - Receivable	16,12,903.00	12,18,886.00
	Prepaid Expenses	18,367.00	-
		29,88,337.00	12,51,386.00

VARENYA CONSTRUCTIONS LIMITED STATEMENT OF TOTAL INCOME ASSESSMENT YEAR - 2016-17 PREVIOUS YEAR -2015-16		
PARTICULARS	AMOUNT (Rs.)	AMOUNT (Rs.)
INCOME FROM BUSINESS		
Net Profit as per profit and loss account		(94,65,875)
Add:		
Depreciation as per Books	44,444	
Interest on TDS	8,58,845	
Interest paid on TDR	3,59,89,174	
Employee Benefit Cost	95,27,933	
		4,64,20,396
		3,69,54,521
Less: Profit on utilization of TDR	3,38,30,652	
Less: Depreciation as per Income Tax	1,12,824	
Less: Interest on Income Tax Refund received	480	
Less: Interest received	39,06,168	3,78,50,124
LOSS UNDER THE HEAD BUSINESS OR PROFESSION		(8,95,603)
INCOME FROM CAPITAL GAINS		
SHORT TERM CAPITAL GAIN		
(i) Sale Consideration	5,42,42,403	
Less: Net Interest paid on TDR	3,20,83,006	
Employee Benefit Cost	95,27,933	
Net Consideration	1,26,31,464	
Less: Book value of the portion of TDR utilized	2,04,11,751	
Short term capital gain/ (loss)	(77,80,286)	
Short term capital gain/(loss)		(77,80,286)
INCOME FROM OTHER SOURCES		
Interest received	-	
Interest on Income Tax Refund received	480	480
GROSS TOTAL INCOME		(86,75,410)
DEDUCTIONS UNDER CHAPTER VIA		-
TOTAL INCOME		(86,75,410)
TAX PARTICULARS		
Tax on above income @ 30%		-
Tax at special rates @ 20%		-
Add : SURCHARGE @ 7%		-
Add: Education cess @ 3%		-
Total Tax liability		-
Less: TDS receivable as per Books		4,03,747
INCOME TAX PAYABLE / (REFUND DUE)		(4,03,747)

Carry forward business loss of	
A.Y.-2007-08 (Rs.27054-27054)	-
A.Y.-2008-09(Rs.777067-10249-1468)	(7,65,350)
A.Y.-2009-10	(4,03,297)
A.Y.-2010-11	-
A.Y.-2011-12	(39,64,858)
A.Y.-2013-14	(3,63,18,540)
A.Y. 2014-15	(1,82,09,360)
A.Y. 2015-16	(5,09,16,576)
A.Y. 2016-17	(8,95,123)
	(11,14,73,104)
Carry forward Short term Capital loss of	
A.Y. 2016-17	(77,80,286)
	(77,80,286)
TOTAL OF BUSINESS LOSSES TO BE CARRIED FORWARD TO FUTURE YEARS	(11,92,53,391)

VARENYA CONSTRUCTIONS LIMITED**ASSESSMENT YEAR : 2016-2017****PREVIOUS YEAR : 2015-2016**

PARTICULARS		AMOUNT (Rs.)
SHORT TERM CAPITAL GAIN		
(i) Sale Consideration	1,20,35,890	
Less: Expenditure incurred in relation to sale	-	
Net Consideration	1,20,35,890	
Less: Book value of the portion of TDR utilized	46,94,802	
Short term capital gain/ (loss)		73,41,088
(ii) Sale Consideration	3,00,53,400	
Less: Expenditure incurred in relation to sale	-	
Net Consideration	3,00,53,400	
Less: Book value of the portion of TDR utilized	1,09,85,355	
Short term capital gain/ (loss)		1,90,68,045
(iii) Sale Consideration	1,21,53,113	
Less: Expenditure incurred in relation to sale	-	
Net Consideration	1,21,53,113	
Less: Book value of the portion of TDR utilized	47,31,594	
Short term capital gain/ (loss)		74,21,519
Total Net amount - Short term Capital gain/ (loss)		3,38,30,652