

## Independent Auditor's Report

To the Members of  
**M/s Varamahalakshmi Holdings Private Limited**

### Report on Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **M/s Varamahalakshmi Holdings Private Limited** (the Company), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019 and the Statement of Profit and Loss and Statement of Cash flows for the year then ended and notes to the financial statements including a summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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, 2019, and its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

*B. Vithlani*



## **Responsibilities of Management and Those Charged with Governance 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 the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SAs, we exercise Professional Judgement and maintain Professional Skepticism throughout the audit.

### **We also;**

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

*B. B. Vitlani*



4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in
  - (i) planning the scope of our audit work and in evaluating the results of our work; and
  - (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
7. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit
8. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. 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 purposes 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, the Statement of Profit and Loss and 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.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

*B. Vithlani*



- 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 A".
- 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) The Company does not have any pending litigations which would impact its financial position significantly.
  - (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.

**For B. Vithlani & Co.,**  
Chartered Accountants

**Bhavesh R Vithlani**  
Partner  
M.No. 213135  
Firm Regn No. 011505S

Place : Hyderabad  
Date : 27-Jun-2019

*B. Vithlani*



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

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

We have audited the internal financial controls over financial reporting of **M/s Varamahalakshmi Holdings Private Limited** ("the Company") as of 31<sup>st</sup> March 2019 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 ('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 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**

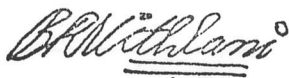
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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 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 Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) 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 31<sup>st</sup> March 2019, 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. Vithlani & Co.,**  
Chartered Accountants

**Bhavesh R Vithlani**  
Partner  
M.No. 213135  
Firm Regn No. 011505S



Place : Hyderabad  
Date : 27-Jun-2019

**Varamahalakshmi Holdings Private Limited**  
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016  
 CIN : U70200TG2012PTC084259  
**Balance Sheet as at 31.03.2019**

Particulars	Note No.	As At 31.03.2019	As At 31.03.2018
<b>A Equity and Liabilities:</b>			
<b>Shareholders' funds</b>			
Share capital	1	100,000	100,000
Reserves and surplus	2	(333,499)	(745,457)
Money received against share warrants			
<b>Share application money pending allotment</b>	3		
<b>Non-current liabilities</b>			
Long-term borrowings	4	6,301,748	6,575,568
Deferred tax liabilities (net)			
Other long-term liabilities	5	-	-
Long-term provisions	6	-	-
<b>Current liabilities</b>			
Short-term borrowings	7	40,824,000	43,324,000
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,550,000	-
Other current liabilities	9	128,554,208	147,020,676
Short-term provisions	10	-	-
<b>TOTAL</b>		<b>177,996,456</b>	<b>196,274,786</b>
<b>B Assets:</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	11		
Tangible assets		11,862,362	12,057,484
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development			
Non-current investments	12	10,010,000	10,000,000
Deferred tax assets (net)		-	-
Long-term loans and advances	13	-	-
Other non-current assets	14	-	-
<b>Current assets</b>			
Current investments		-	-
Inventories	15	67,332,830	63,730,000
Trade receivables	16	-	-
Cash and Bank Balances	17	2,774,835	314,465
Short-term loans and advances	18	85,004,000	109,554,837
Other current assets	19	1,012,429	618,000
<b>TOTAL</b>		<b>177,996,456</b>	<b>196,274,786</b>

Other relevant Notes to Financial Statements

25 to 36

Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.

As per my audit report of even date


**For B. Vithlani & Co.,**  
Chartered Accountants

**Bhavesh R Vithlani**  
Partner  
Membership No.213135  
F. No.011505S

Place: Hyderabad  
Date: 27-Jun-19

For and on behalf of the board

  
**Venkata Rajesh.A**  
Director  
DIN : 02428274

  
**Ch.D.V.V.Prasad Rao**  
Director  
DIN: 02304831



**Varamahalakshmi Holdings Private Limited**  
**#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016**  
 CIN : U70200TG2012PTC084259

Statement of Profit and Loss for the period ending on 31.03.2019

Particulars	Note No.	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>A Continuing Operations:</b>			
<b>1</b> Revenue from operations	20	-	-
Less: Excise Duty		-	-
<b>Revenue from Operations (Net)</b>		<b>-</b>	<b>-</b>
<b>2 Expenses</b>			
Cost of materials consumed		-	-
Purchases of stock-in-trade	21	3,602,830	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(3,602,830)	-
Other expenses	23	86,516	150,074
<b>Total Expenses</b>		<b>86,516</b>	<b>150,074</b>
<b>3 Profit / (Loss) before exceptional and extraordinary items interest, tax and depreciation and amortisation (1 - 2)</b>		<b>(86,516)</b>	<b>(150,074)</b>
<b>4</b> Finance Costs	24	687,104	677,722
<b>5</b> Depreciation and amortisation expense	11	195,122	195,122
<b>6</b> Other income	25	1,380,700	1,020,000
<b>7 Profit / (Loss) before exceptional &amp; extraordinary items and tax (3 - 4 - 5 + 6)</b>		<b>411,958</b>	<b>(2,917)</b>
<b>8</b> Exceptional items		-	-
<b>9 Profit / (Loss) before extraordinary items and tax (7 - 8)</b>		<b>411,958</b>	<b>(2,917)</b>
<b>10</b> Extraordinary items		-	-
<b>11 Profit / (Loss) before tax (9 -10)</b>		<b>411,958</b>	<b>(2,917)</b>
<b>12 Tax expense:</b>			
Provision for Income Tax		-	-
MAT Credit Entitlement		-	-
Current Year		-	-
Previous Year		-	-
Provision for Deferred Tax		-	-
<b>13 Profit/(Loss) from continuing operations (11-12)</b>		<b>411,958</b>	<b>(2,917)</b>
<b>B Discontinuing Operations</b>			
<b>14</b> Profit / (Loss) from discontinuing operations (before tax)		-	-
<b>15</b> Tax expense of discontinuing operations		-	-
<b>16</b> Profit / (Loss) from discontinuing operations (after tax) (14-15)		-	-
<b>C Total Operations</b>			
<b>17</b> Profit / (Loss) for the year (13 + 16)		<b>411,958</b>	<b>(2,917)</b>
<b>18</b> Earnings per equity share:			
- Basic		41.20	(0.29)
- Diluted		41.20	(0.29)

Other relevant Notes to Financial Statements 25 to 36

Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.


As per my audit report of even date

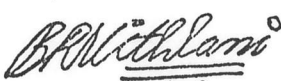
**For B. Vithlani & Co.,**  
Chartered Accountants

For and on behalf of the board

**Bhavesh R Vithlani**  
Partner  
Membership No.213135  
F. No.011505S  
Place: Hyderabad  
Date: 27-Jun-19

  
**Venkata Ramesh.A**  
Director  
DIN : 02428274

  
**Ch.D.V.V.Prasad Rao**  
Director  
DIN: 02304831







**Varamahalakshmi Holdings Private Limited**  
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016  
**Cash Flow Statement for the Year ended 31.03.2019**

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>A. Cash flow from Operating activities</b>		
Net Profit before tax as per Profit and loss account	411,958	(2,917)
Adjustments		
(Profit) / Loss on sale of fixed assets (net)	-	-
(Profit) / Loss on sale of investments (net)	-	-
Depreciation and Amortisation Expense	195,122	195,122
Preliminary Expenditure Written Off	-	-
Other Income	-	-
Effect of Exchange Rate change	-	-
Finance Costs	687,104	677,722
	1,294,184	869,926
(Increase)/Decrease in Trade and Other Receivables	-	-
(Increase)/Decrease in Inventories	(3,602,830)	-
Increase/(Decrease) in Trade Payables	2,550,000	-
Changes in Other Current Assets	(292,429)	(156,000)
Increase/(Decrease) in Other Current Liab. /Short Term Prov.	(18,466,468)	146,653,533
Cash generated from Operations	(18,517,543)	147,367,459
Direct Taxes paid	(102,000)	(102,000)
Net Cash from Operating activities	(18,619,543)	147,265,459
<b>B. Cash flow from Investing Activities</b>		
(Purchase) / Sale of Fixed Assets (Net)	-	-
Capital Work-in-progress	-	-
(Purchase) / Sale of Investments (Net)	(10,000)	-
(Profit) / Loss on sale of investments	-	-
Investment in Companies	-	-
Movement in Loans & Advances	24,550,837	25,378,000
Changes in Other Non current Assets	-	-
Increase/(Decrease) in Other Long Term Liab. / Long Term Prov.	-	-
Other Income	-	-
Cash flow before exceptional items	24,540,837	25,378,000
Exceptional Items	-	-
Net Cash from Investment Activities	24,540,837	25,378,000
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital/ Share Application Money	-	-
Proceeds / (Repayment) from Borrowings	(2,773,820)	(171,859,020)
Finance Costs	(687,104)	(677,722)
Dividends Paid	-	-
Dividend tax paid	-	-
Effect of Exchange Rate change	-	-
Net cash used in financing activities	(3,460,924)	(172,536,741)
<b>Net (Decrease) / Increase in cash and cash equivalents</b>	<b>2,460,370</b>	<b>106,718</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>314,465</b>	<b>207,747</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,774,835</b>	<b>314,465</b>

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013.

2. Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.


As per my audit report of even date

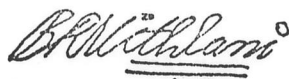
**For B. Vithlani & Co.,**  
Chartered Accountants

**Bhavesh R Vithlani**  
Partner  
Membership No.213135  
F. No.011505S  
Place: Hyderabad  
Date:

  
**Venkata Rajesh A**  
Director  
DIN : 02428274

For and on behalf of the board

  
**Ch.D.V.V.Prasad Rao**  
Director  
DIN: 02304831





**Varamahalakshmi Holdings Private Limiter**

#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

**Notes forming part of Financial Statements As At 31.03.2019**

**Note No: 1 Share Capital**

S. No.	Particulars	As At 31.03.2019		As At 31.03.2018	
		Number	Amount	Number	Amount
(i)	<b>Authorised</b> Equity Shares of Rs. 10/- each with Voting Rights	10,000	100,000	10,000	100,000
(i)	<b>Issued, Subscribed and Paid up</b> Equity Shares of Rs. 10/- each fully paid up with Voting Rights	10,000	100,000	10,000	100,000
	<b>Total</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

**(a) Reconciliation of number of shares:**

S.No.	Particulars	As At 31.03.2019		As At 31.03.2018	
		Number	Amount	Number	Amount
1	Equity Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
2	Equity Shares Issued during the year				
3	Equity Shares bought back during the year				
4	Equity Shares outstanding at the end of the year	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

**(b) Rights, preferences and restrictions attached to shares:**

The company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

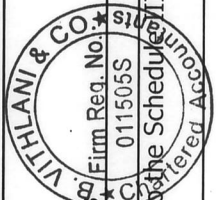
**(c) Details of shares held by Shareholders holding more than 5 % of the shares in the company:**

S.No.	Particulars	As At 31.03.2019		As At 31.03.2018	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	<u>Equity Shares with Voting Rights</u>				
1	Chalavadi Naga Kanaka Durga Prasad	6000	60.00%	6000	60.00%
2	Annam Kalyan Srinivas	1500	15.00%	1500	15.00%
3	Chalavadi Mohana Durga Rao	750	7.50%	750	7.50%
4	Ch.D.K.Durga Rao	750	7.50%	750	7.50%
5	Annam Subhash Chandra Mohan	500	5.00%	500	5.00%
6	Annam Venkata Rajesh	500	5.00%	500	5.00%

**(d) Aggregate number and class of shares allotted as fully paid up for consideration other than cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date**

S.No.	Particulars	No. of shares	
		As At 31.03.2019	As At 31.03.2018
		Nil	Nil

Clause (e), (f), and (h) to (l) of the Note 6(A) to the Schedule II of the Companies Act, 2013 is not applicable.



*(Handwritten signature)*

**Varamahalakshmi Holdings Private Limited**  
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016  
**Notes forming part of Financial Statements As At 31.03.2019**

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
<b>2</b>	<b>Note: Reserves &amp; Surplus</b>		
	Securities Premium Account		
	As per last Balance Sheet	-	-
	(+) Additions during the year on account of shares issued during the year	-	-
	Closing Balance	<u>-</u>	<u>-</u>
	Profit and Loss Account		
	As per last Balance Sheet	(745,457)	(742,540)
	(+) Net Profit for the current year	411,958	(2,917)
	(+) Transfer from Reserves		
	(-) Net Loss for the current year		
	(-) Proposed Dividends		
	(-) Interim Dividends		
	Closing Balance	<u>(333,499)</u>	<u>(745,457)</u>
	<b>Total</b>	<u>(333,499)</u>	<u>(745,457)</u>

**3 Note: Share Application money pending allotment**

Total Amount	<u>-</u>
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Number of Shares proposed to be issued  
 Nominal Value of Share  
 Amount of Premium  
 Due date for allotment

*B. Vithlani*



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*[Signature]*

*[Signature]*

**Varamahalakshmi Holdings Private Limited**  
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016  
**Notes forming part of Financial Statements As At 31.03.2019**

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
<b>4</b>	<b>Note: Long Term Borrowings</b>		
	Secured		
	a) Term Loans *		
	i) From Banks		
	The amount represents repayment due in next 12 months classified under head "Other Current Liabilities"		
	ii) From NBFC's	6,575,568	6,824,048
	The amount represents repayment due in next 12 months classified under head "Other Current Liabilities" (Not no.9)	273,820	248,481
		<u>6,301,748</u>	<u>6,575,568</u>
	Unsecured	-	-
		<u><b>6,301,748</b></u>	<u><b>6,575,568</b></u>
	The Company has borrowed from above Directors on the following terms & conditions:		
	<b>Terms &amp; Conditions</b>		
	Rate of Interest		
	Security		
	Terms of Repayment		
<b>5</b>	<b>Note: Other Longterm Liabilities</b>		
	Other Liabilites	-	-
<b>6</b>	<b>Note: Long Term Provisions</b>		
	Provisions - Others	-	-
<b>7</b>	<b>Note: Short Term Borrowings</b>		
	Secured		
	Loans repayable on demand from Banks	-	-
	Loans repayable on demand from Others	-	-
	Unsecured		
	Loans from Related Parties	-	-
	Other Loans and Advances	40,824,000	43,324,000
		<u><b>40,824,000</b></u>	<u><b>43,324,000</b></u>

*B. Vithlani*

B. VITHLANI & CO  
 Firm Reg. No. 011552  
 Chartered Accountants

*[Signature]*

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**Varamahalakshmi Holdings Private Limited**  
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

**Notes forming part of Financial Statements As At 31.03.2019**

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
<b>8</b>	<b>Note: Trade Payables</b>		
	Dues to Micro, Small and Medium Enterprises *		
	Dues to Others	2,550,000	-
		<u>2,550,000</u>	<u>-</u>
	* The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:		
	information with the company is as under:		
	1. Principal amount due and remaining unpaid as at year end	-	-
	2. Interest due on above and remaining unpaid as at year end	-	-
	3. Principal amount paid beyond the appointed day during the year	-	-
	4. Interest paid on payments made beyond the appointed day during the year U/Sec 16 of MSMED Act, 2006	-	-
	5. Interest due and Payable on payments made beyond the appointed day during the year otherthan MSMED Act, 2006	-	-
	6. Interest remaining due and payable for the period of delay in earlier years	-	-
	The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.		
<b>9</b>	<b>Note: Other Current Liabilities</b>		
	<u>Current Maturities of Long Term Debt (Secured)</u>		
	Term Loans from NBFC's	273,820	248,481
	Interest Accrued & Due on Borrowings	-	-
	Advances received from Customers	128,017,702	146,620,539
	Share application money received / Refund	-	-
	Other Payables	262,686	151,656
		<u>128,554,208</u>	<u>147,020,676</u>
	Expenses Payable	262,686	61,236
	Statutory Payable	-	90,420
<b>10</b>	<b>Note: Short Term Provisions</b>		
	Provisions for Employee Benefits		
	Provisions - Others:		
	Provision for Taxes	-	-
		<u>-</u>	<u>-</u>

*B. Vithlani*



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**Varamahalakshmi Holdings Private Limited**  
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

**Notes forming part of Financial Statements As At 31.03.2019**

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
<b>12</b>	<b>Note: Non-current investments</b>		
	Investment in instruments (Un Quoted)		
	In Meliora Asset Reconstruction Company Limited		
	Equity Shares	10,000,000	
	Preference Shares		10,000,000
	( 4,00,000 , 9% Compulsorily Convertible Cumulative Preference shares of Rs.10/- each fully paid-up and at the premium of Rs.15/- converted into 4,00,000 Equity shares in FY 18-19)		
	Capital Investment in Soul of Pluto Tech LLP	10,000	
		<b>10,010,000</b>	<b>10,000,000</b>
<b>13</b>	<b>Note: Long Term Loans &amp; Advances</b>		
	(a) Capital Advances	-	-
	(b) Security Deposits	-	-
	(c) Loans & Advances to related parties	-	-
	(d) Loans & Advances to Employees	-	-
	(e) Prepaid Expenses	-	-
	(f) Advance Income Tax (Unsecured, Considered good)	-	-
	(g) MAT Credit Entitlement	-	-
	(h) Balances with Government Authorities	-	-
	(i) Other Loans & Advances	-	-
	Less: Provision for other doubtful loans & advances	-	-
	Note: Long Term Loans & Advances include amounts due from		
	Directors	-	-
	Other Officers of company	-	-
	Firms in which any director is a partner	-	-
	Private companies in which any director is a director or member	-	-
<b>14</b>	<b>Note: Other Non-Current Assets</b>		
	(a) Long-term trade receivables		
	(b) Unamortised expenses * ( to the extent not written off or not adi.)		
	(i) Ancillary borrowing costs		
	(ii) Share issue expenses		
	(iii) Discount on shares		
	(iv) Other Expenses		
	Preliminary Expenditure		
	(c) Accruals		
	(d) Other Non-current Assets		
	Electricity Deposits		
	Rent Deposit		
	Telephone Deposit		
	Other Deposits		

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**Varamahalakshmi Holdings Private Limited**  
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

**Notes forming part of Financial Statements As At 31.03.2019**

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
<b>15</b>	<b>Note: Inventories:</b>		
	(a) Raw materials Goods-in-transit		
	(b) Work-in-progress Goods-in-transit	63,730,000	63,730,000
	(c) Finished goods (other than those acquired for trading) Goods-in-transit		
	(d) Stock-in-trade (acquired for trading) Goods-in-transit	3,602,830	
	(e) Stores and spares Goods-in-transit		
	(f) Loose tools Goods-in-transit		
	(g) Others (Specify nature) Goods-in-transit		
		<b>67,332,830</b>	<b>63,730,000</b>
	<b>* Mode of valuation:</b>		
	Finished Goods		: At lower of cost or net realisable value
	Work in progress		: At lower of cost or net realisable value
	Raw Materials		: At lower of cost or net realisable value
<b>16</b>	<b>Note: Trade Receivables</b>		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Other Trade Receivables		
	Secured, considered good		
	Unsecured, considered good		
	Doubtful		
		-	-
	Less: Provision for doubtful trade receivables		
		-	-
	Note: Trade Receivables include amounts due from		
	Directors		
	Other Officers of company		
	Firms in which any director is a partner		
	Private companies in which any director is a director or member		
<b>17</b>	<b>Note: Cash and Bank Balances</b>		
	(a) Cash and Cash Equivalents		
	(i) Balances with banks;		
	In Deposit Accounts		
	In Current Accounts	2,769,015	250,465
	(ii) Cheques, drafts on hand		
	(iii) Cash on hand	5,820	64,000
	(b) Other Bank balances		
	In Deposit Accounts		
		<b>2,774,835</b>	<b>314,465</b>

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**Notes forming part of Financial Statements As At 31.03.2019**

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
<b>18</b>	<b>Note: Short Term Loans &amp; Advances</b>		
	(a) Loans and advances to related parties		
	(b) Security deposits		
	(c) Loans and advances to employees		
	(d) Prepaid expenses - Unsecured, considered good		
	(e) Balances with government authorities Unsecured, considered good Advance Tax and TDS VAT Credit	204,000	102,000
	(f) Inter-corporate deposits		
	(g) Other Loans & Advances	84,800,000	109,452,837
		85,004,000	109,554,837
	Less: Provision for other doubtful loans and advances		
		<b>85,004,000</b>	<b>109,554,837</b>
	Note: Short Term Loans & Advances include amounts due from Directors Other Officers of company Firms in which any director or his Relative is a partner Companies in which any director is a director or member	-	24,652,837
<b>19</b>	<b>Note: Other Current Assets</b>		
	(a) Unbilled revenue	-	-
	(b) Unamortised expenses	-	-
	(c) Accruals	-	-
	(d) Other Current Assets	1,012,429	618,000
		<b>1,012,429</b>	<b>618,000</b>

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**Varamahalakshmi Holdings Private Limited**

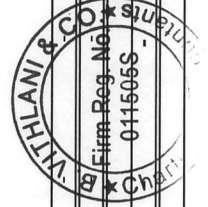
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

Notes forming part of Financial Statements As At 31.03.2019

**Note 11 Property, Plant and Equipment**

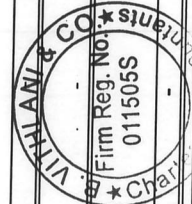
(Amount INR)

S. No.	Particulars	Gross Block							Balance As At 31.03.2019		
		Balance As At 01.04.2018	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign exchange differences		Borrowing cost capitalised	Other Adj.
		1	2	3	4	5	6	7	8	9	10= 1+2-3+4-5 +6-7+8-9
<b>A Tangible assets :</b>											
(a)	Civil Works										
	Owned	12,331,350	-	-	-	-	-	-	-	-	12,331,350
	Taken under finance	-	-	-	-	-	-	-	-	-	-
	Given under operating	-	-	-	-	-	-	-	-	-	-
(b)	Plant & Machinery										
	Owned	-	-	-	-	-	-	-	-	-	-
	Taken under finance	-	-	-	-	-	-	-	-	-	-
	Given under operating	-	-	-	-	-	-	-	-	-	-
(c)	Computers & Software *										
	Owned	-	-	-	-	-	-	-	-	-	-
	Taken under finance	-	-	-	-	-	-	-	-	-	-
	Given under operating	-	-	-	-	-	-	-	-	-	-
(d)	Furniture and Fixtures										
	Owned	-	-	-	-	-	-	-	-	-	-
	Taken under finance	-	-	-	-	-	-	-	-	-	-
	Given under operating	-	-	-	-	-	-	-	-	-	-
(e)	Vehicles										
	Owned	-	-	-	-	-	-	-	-	-	-
	Taken under finance	-	-	-	-	-	-	-	-	-	-
	Given under operating	-	-	-	-	-	-	-	-	-	-
	<b>Total (A)</b>	<b>12,331,350</b>	-	-	-	-	-	-	-	-	<b>12,331,350</b>
	<b>Previous Year</b>	<b>(12,331,350)</b>	-	-	-	-	-	-	-	-	<b>(12,331,350)</b>
<b>B Intangible assets</b>											
	<b>Total (B)</b>	-	-	-	-	-	-	-	-	-	-
	<b>Previous Year</b>	-	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A + B)</b>	<b>12,331,350</b>	-	-	-	-	-	-	-	-	<b>12,331,350</b>



*(Signature)*

S. No.	Particulars	Accumulated depreciation and impairment											Net block	
		Balance As At 01.04.2018	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance As At 31.03.2019	Balance As At 31.03.2019	Balance As At 31.03.2018	Balance As At 31.03.2019	Balance As At 31.03.2018	
		11	12	13	14	15	16	17	18=sum(11:17)	19= (10-18)	20= (1 - 11)			
<b>A Tangible assets :</b>														
(a)	Civil Works													
	Owned	273,866	195,122	-	-	-	-	-	468,988	11,862,362	12,057,484			
	Taken under finance	-	-	-	-	-	-	-	-	-	-			
	Given under operating	-	-	-	-	-	-	-	-	-	-			
(b)	Plant & Machinery													
	Owned	-	-	-	-	-	-	-	-	-	-			
	Taken under finance	-	-	-	-	-	-	-	-	-	-			
	Given under operating	-	-	-	-	-	-	-	-	-	-			
(c)	Computers & Software *													
	Owned	-	-	-	-	-	-	-	-	-	-			
	Taken under finance	-	-	-	-	-	-	-	-	-	-			
	Given under operating	-	-	-	-	-	-	-	-	-	-			
(d)	Furniture and Fixtures													
	Owned	-	-	-	-	-	-	-	-	-	-			
	Taken under finance	-	-	-	-	-	-	-	-	-	-			
	Given under operating	-	-	-	-	-	-	-	-	-	-			
(e)	Vehicles													
	Owned	-	-	-	-	-	-	-	-	-	-			
	Taken under finance	-	-	-	-	-	-	-	-	-	-			
	Given under operating	-	-	-	-	-	-	-	-	-	-			
	<b>Total (A)</b>	<b>273,866</b>	<b>195,122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>468,988</b>	<b>11,862,362</b>	<b>12,057,484</b>			
	<b>Previous Year</b>	<b>(78,744)</b>	<b>(195,122)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(273,866)</b>	<b>(12,057,484)</b>	<b>(12,252,606)</b>			
<b>B Intangible assets</b>														
	<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
	<b>Previous Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>C Capital Work in Progress</b>														
	<b>Grand Total (A + B + C)</b>	<b>273,866</b>	<b>195,122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>468,988</b>	<b>11,862,362</b>	<b>12,057,484</b>			



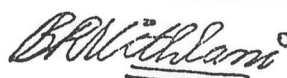
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**Varamahalakshmi Holdings Private Limited**

#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

**Notes forming part of Financial Statements As At 31.03.2019**

Note No.	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>20</b>	<b>Note: Revenue from Operations</b>		
	Sale of products	-	-
	Domestic		
		-	-
<b>21</b>	<b>Note: Purchases</b>		
	Purchases / Direct Expenses	3,602,830	-
		<b>3,602,830</b>	-
<b>22</b>	<b>Note: Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
	<u>Inventories at the end of the year:</u>		
	Finished goods (acquired for trading)		
	Work-in-progress	63,730,000	63,730,000
	Stock-in-trade	3,602,830	
		67,332,830	63,730,000
	<u>Inventories at the beginning of the year:</u>		
	Finished goods		
	Work-in-progress	63,730,000	63,730,000
	Stock-in-trade		
		63,730,000	63,730,000
	<b>Net increase / (decrease)</b>	<b>3,602,830.00</b>	-
<b>23</b>	<b>Note: Other Expenses</b>		
	Audit Fee	10,000	10,000
	Insurance paid on Vizag Flat	-	-
	Consultation Charges	53,100	-
	ROC Charges	8,400	-
	Property Tax A/c	15,016	140,074
		<b>86,516</b>	<b>150,074</b>
<b>24</b>	<b>Note: Finance Costs</b>		
	Interest Expense		
	Interest	654,435	677,430
	Interest on Others *	32,551	-
	Other Borrowing Costs:		
	Loan Processing Charges	-	-
	Other Finance Expenses		
	Bank Charges	118	292
	Forex Loss on FC Loans		
		<b>687,104</b>	<b>677,722</b>
	* Interest on Others include Interest on TDS Payable		
<b>25</b>	<b>Note: Other Income</b>		
	Preference Dividend	360,000	-
	Rent Income	1,020,000	1,020,000
	Interest on Capital in SOPT	700	
		<b>1,380,700</b>	<b>1,020,000</b>






**Varamahalakshmi Holdings Private Limited**  
**Notes forming part of Financial Statements As At 31.03.2019**

<b>Note No.</b>	<b>Particulars</b>	<b>FY 2018-19</b>	<b>FY 2017-18</b>
<b>26</b>	<b>Note: Auditors Remuneration</b>		
	Payments to Auditors comprises:		
	As Auditors - Statutory Audit	10,000	10,000
	For taxation matters	-	-
	For company law matters	-	-
	For management services	-	-
	For other services	-	-
	Reimbursement of Expenses	-	-
<b>27</b>	<b>Note: Deferred Tax Liability / (Asset)</b>		
	On account of Depreciation and Amortisation	-	-

*B. Vithlani*



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**Varamahalakshmi Holdings Private Limited**  
**Notes forming part of Financial Statements As At 31.03.2019**

Note No.	Particulars	FY 2018-19	FY 2017-18
<b>29</b>	<b>Note: Earnings Per Share</b>		
	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR)	411,958	(2,917)
	Weighted Average No of Equity shares used as denominator for calculation EPS ( in Nos)	10,000	10,000
	Basic and Diluted Earnings per share (INR)	41.20	(0.29)
	Face value per share (INR)	10	10
	The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institutue of Chartered Accountants of India.		
<b>30</b>	<b>Note: Earnings in foreign currency</b>		
	Export of Goods calculated on FOB basis	-	-
<b>31</b>	<b>Note: Expenditure in foreign currency</b>	-	-
<b>32</b>	<b>Note: Tax Expense</b>		
	The Tax Expenses for the year comprises of;		
	Income Tax		
	Current Year	-	-
	Previous Year	-	-
	Deferred Tax	-	-
	Provision for income tax is made on the taxable income. Advance Tax and Tax Deducted at Source (TDS) are shown in the balance sheet under head Long Term Loans and advances during the year and in subsequent years the Advance Tax & TDS are adjusted against provision for tax.		
<b>33</b>	<b>Note: Capital and Other commitments</b>	<b>FY 2018-19</b>	<b>FY 2017-18</b>
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
	(b) Uncalled liability on shares and other investments partly paid	-	-
	(c) Other commitments (specify nature)	-	-
<b>34</b>	<b>Note on Loans availed from Banks &amp; Financials Institutions:</b>		
	<b>A. Working Capital Loans from Banks</b>		
	<b>B. Long Term Loans</b>		
	Home Loan availed from L&T Housing Finance during the year FY 2016-17 of Rs. 70 Lacs & 1.02 Lacs at the rate of 9.75%. And it has to be repaid in 180 monthly instalments of Rs. 74,156/- and of Rs. 1,087/- respectively.		

*B. Vithlani*



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**Varamahalakshmi Holdings Private Limited**  
**Notes forming part of Financial Statements As At 31.03.2019**

<b>Note No.</b>	<b>Particulars</b>
<b>35</b>	Note: Contingent Liabilities : Nil
<b>36</b>	In the opinion of the Board, current assets, loans and advances are stated at a value, which could be realized in the ordinary course of business. The provision for all known liabilities made is adequate and not in excess of the amount reasonably necessary.

**As per my audit report of even date**  
**For B. Vithlani & Co.,**  
Chartered Accountants


**Bhavesh R Vithlani**  
Partner  
Membership No.213135  
F. No.011505S

Place: Hyderabad  
Date: 27-Jun-19

For and on behalf of the board

  
**Venkata Rajesh.A**  
Director  
DIN : 02428274

  
**Ch.D.V.V.Prasad Rao**  
Director  
DIN : 02304831







**Note No. 25: Significant Accounting Policies:**

"M/s Varamahalakshmi Holdings Private Limited" (The Company) was incorporated under the companies Act, 1956, its CIN U70200TG2012PTC084259, and the Accounting Policies followed by the company are as follows:

1. Basis of Accounting;

The Financial Statements are prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards notified by the Government of India / issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Use of Estimates;

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Fixed Assets and Depreciation;

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they related to the period till such assets are ready to be put to use.

Depreciation is provided on **Straight Line Method** as per the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 with reference to the month of acquisition / installation / launching of new stores. Depreciation on assets sold, scrapped or demolished during the year is being provided at their respective rates up to the month in which such assets are sold, scrapped or demolished as required by Schedule II to the Companies Act, 2013.

4. Intangible assets and amortization

Softwares which are not integral part of the hardware are classified as intangibles and is stated at cost less accumulated amortization.

5. Borrowing Cost;

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

6. Investments;

Long-term Investments are stated at cost. Provision for diminution is being made if necessary to recognize a decline, other than temporary in the value thereof.

7. Inventories;

Inventories are valued as follows;

- a) Raw Materials : At lower of cost or net realizable value
- b) Work in progress : At lower of cost or net realizable value
- c) Finished Goods : At lower of cost or net realizable value

*B. Vithlani*



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*[Handwritten signature]*



13. Income tax expenses comprise current tax & deferred tax charges or credit.

Provision for income tax is made on the basis of estimated taxable income. Advance Tax and Tax Deducted at Source (TDS) are shown in the balance sheet under head Loans and advances during the year and in subsequent years the Advance Tax & TDS are adjusted against Provision for Tax. The net effect has been added under the head Provision for Tax.

14. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit /(loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes if any) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating Dilute earnings per share, the net profit/(loss) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

15. Preliminary Expenditure;

Preliminary Expenditure will be expensed completely in the year in which it is incurred and this is in tune with para 56 of AS-26.

16. Provision for current and deferred tax;

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

*B. Vithlani*



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