

**INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT**

[Where the data of the Return of Income in Form ITR-1 (SAHAJ), ITR-2, ITR-3, ITR-4, ITR-5, ITR-6, ITR-7 transmitted electronically with digital signature]

Assessment Year

**2018-19**

PERSONAL INFORMATION AND THE DATE OF ELECTRONIC TRANSMISSION	Name			PAN		
	ARTHVEDASTAR (GUNTUR) REALTY PRIVATE LIMITED			AAKCA2969B		
	Flat/Door/Block No	Name Of Premises/Building/Village		Form No. which has been electronically transmitted	ITR-6	
	Flat No 24, 5th Floor	Kamalesh Rose Garden				
	Road/Street/Post Office	Area/Locality		Status	Pvt Company	
	SVN Colony, 5th Line	Guntur				
	Town/City/District	State	Pin/ZipCode	Aadhaar Number/Enrollment ID		
	Guntur	ANDHRA PRADESH	522006			
	Designation of AO(Ward/Circle) WARD 14(1)(2)/MUMBAI			Original or Revised ORIGINAL		
	E-filing Acknowledgement Number		369128001311018	Date(DD/MM/YYYY) 31-10-2018		
COMPUTATION OF INCOME AND TAX THEREON	1	Gross total income			1	0
	2	Deductions under Chapter-VI-A			2	0
	3	Total Income			3	0
	3a	Current Year loss, if any			3a	0
	4	Net tax payable			4	0
	5	Interest and Fee Payable			5	0
	6	Total tax, interest and Fee payable			6	0
	7	Taxes Paid	a	Advance Tax	7a	0
			b	TDS	7b	0
			c	TCS	7c	0
			d	Self Assessment Tax	7d	0
			e	Total Taxes Paid (7a+7b+7c+7d)	7e	0
	8	Tax Payable (6-7e)			8	0
9	Refund (7e-6)			9	0	
10	Exempt Income	Agriculture		10		
		Others				

This return has been digitally signed by CH N SRINIVAS

in the capacity of DIRECTOR

having PAN ADEPC6097J from IP Address 49.205.192.57 on 31-10-2018 at GUNTUR

Dsc SI No & issuer 1400627772CN=(n)Code Solutions CA 2014,2.5.4.51=#13133330312c20474e464320496e666f746f776572,STREET=Bodakdev\, S G Road\, Ahmedabad,ST=Gujarat,2.5.4.17=#1306333830303534,OU=Certifying Authority,O=Gujarat Narmada Valley Fertilizers and Chemicals

**DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU**



ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED  
GUNTUR

Status: Company  
PANo: AAKCA2969B  
Acct. year: 2017-18  
Asst. year: 2018-19

STATEMENT OF TOTAL INCOME FOR THE ASST. YEAR 2018-19

<u>Particulars</u>	<u>Details</u>	<u>Amount</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>Income from Business:</u>		
Net loss as per P&L a/c		(2,811,886)
<u>Less: Inadmissible expenses</u>		
a) Depreciation as per books	7,842	
b) Disallowance u/s 37		
- Interest on TDS	66,270	
c) Disallowance u/s 43B		
VAT and Service tax		
d) Disallowance u/s 40a(ia)		
<u>Nature of expenses</u>	<u>Amount</u>	<u>Disallowance</u>
- Salaries	4875986	1462796
- Commission	1230000	369000
- Rent	655000	196500
- Profession	100000	30000
- Contracts	9142814	2742844
	4,801,140	
		4,875,252
		2,063,367
Less : Disallowance U/s 40(a)(ia) in the previous year now claimed on remittance of TDS		
Salaries	1200000	360,000
		1,703,367
Add: Depreciation as per IT rules		7,748
Income from business		1,695,619
Less: Business Loss & Unabsorbed Depreciation relating to 2015-16 , 2016-17 & 2017-18 adjusted against total income		1695619
		(0)

Details of losses to be c/f to next year

<u>Asst. year</u>	<u>Business loss</u>	<u>Unabsorbed Depreciation</u>	<u>Loss set off against current year income</u>	<u>Total</u>
2017-18	503,819	4,995	508,814	-
2016-17	1,161,513	2,700	1,164,213	-
2015-16	46,817	-	22,592	24,225
	1,712,149	7,695	1,695,619	24,225



**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**ARTHVEDASTAR (GUNTUR) REALTY PRIVATE LIMITED**

We have audited the accompanying financial statements of **ARTHVEDASTAR (GUNTUR) REALTY PRIVATE LIMITED** ('the Company') which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including 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 prevention and detection of frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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.

**Auditors' 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 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 disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by





the Company's board of 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 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:

- a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2018 and
- b) In the case of Statement of Profit and Loss, of the Loss of the Company for the year ended on that date

### Emphasis of matter

Without qualifying our opinion, we draw attention to the provisions of section 71 of the Companies Act, 2013 r.w.r 18 (7) of Companies (Share Capital and Debentures) Rules, 2014, the company has to deposit 15% of the amount of its debentures maturing during the year ended in the manner specified under sub-rule (c) and no such deposit has been made by the company.

Our opinion is not modified in respect of the above matter.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) 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 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 appears from our examination of those books;
  - c) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;





- d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) In our opinion, non compliance with the provisions of section 71 of the Companies Act, 2013 r.w.r 18 (7) of Companies (Share Capital and Debentures) Rules, 2014, regarding non deposit of specified amount in case of debentures matured during the year mentioned under the above para "Emphasis of matters" does not have any adverse effect on the functioning of the company.
- f) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of sub-section (2) of section 164 of the Act;
- g) 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 and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the basis 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 Protection Fund by the company.

Place: Guntur  
Date : 2.9.2018



For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn.no.000513S

(Karumanchi Rajaj)  
Partner

ICAI Membership No.202309



**"Annexure A" to Independent Auditors' Report**

- 1.1 According to the information and explanations furnished to us, the company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1.2 According to the information and explanations furnished to us, the company has carried out physical verification of its fixed assets during the year under report and no discrepancies were noticed on such verification.
- 1.3 The company does not own any immovable properties as on date of balance sheet except land and buildings held as stock-in-trade.
2. As explained to us, the inventories were physically verified during the year by the management and no material discrepancies were noticed on such physical verification.
- 3.1 The company has granted loans to six parties amounting to Rs.640.76 lakhs, covered in the register maintained under Section 189 of the Companies Act, 2013. However, no terms for repayment, interest and other conditions were made at the time of sanction of loans. In the absence of specific terms, we are unable to comment on the repayment of principal amounts, interest and its overdue status as required to be reported in terms of sub-clauses a, b and c of clause (iii) of the Order. Since no interest was received on such advances, considering the financial position of the company, the grant of such advances are prejudicial to the interests of the company.
4. The company has not granted any loans, except to the parties referred in para 3.1 above, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable. In respect of loans granted to parties referred to para 3.1 above, the company has not complied with the provisions of section 185 of the Act.
5. The company has not accepted any deposits from the public and members and hence the reporting requirements with reference to compliance with the provisions of section 73 to 76 or any other relevant provisions of the Act and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted does not arise during the year. Further, according to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act, 2013.
6. The maintenance of cost records has not been specified by the Central government under Section 148(1) of the Companies Act, 2013.
- 7.1 According to the information furnished to us, the company substantial delays in remittance of TDS, Service tax and VAT amounting to Rs.79.92 lakhs, Rs.0.99 lakhs and Rs.0.27 lakhs respectively was outstanding and pending for remittance as at the date of the Balance Sheet, for a period of more than six months from the date they became payable.
- 7.2 According to the information furnished to us, and records of the company examined by us, at the date of the Balance Sheet, there were no amounts of Sales Tax, Customs Duty, VAT, Income Tax and Service Tax that were disputed by the company and hence were not remitted to the concerned authorities.





8. In our opinion and according to the information and explanations furnished to us by the company, no term loans from the banks were obtained by the company. However, the company made default in repayment of its dues to debenture holders and an amount of Rs.1150 lakhs is due for repayment as on date of balance sheet.
9. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments during the year under report.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no fraud on the company by its officers or employees has been noticed or reported during the year.
11. No remuneration has been provided by the company to the managerial personnel during the year under report.
12. The company is not a Nidhi company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the company is in compliance with section 177 and 188 of the Companies act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable for the year under report.
15. In our opinion and according to the information and explanations given to us, during the year, the company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies act, 2013 are not applicable.
16. The company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

Place: Guntur  
Date : 2.9.2018



For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn.no.000513S

( Karumanchi Rajaj)  
Partner

ICAI Membership No.202309



**Annexure-B**

**Independent Auditors' 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 **ARTHVEDASTAR (GUNTUR) REALTY PRIVATE LIMITED** ("the Company") as of 31 March 2018 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 March 2018, 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.

Place: Guntur  
Date : 2.9.2018



For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn.no.000513S

  
( Karumanchi Rajaj)  
Partner

ICAI Membership No.202309



**ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED**  
**GUNTUR**

**BALANCE SHEET AS AT 31st MARCH, 2018**

PARTICULARS	Note no.	AS AT 31.03.2018		AS AT 31.03.2017	
<b>I. Equity and Liabilities</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	2	1,00,000		1,00,000	
(b) Reserves and Surplus	3	(80,42,552)	(79,42,552)	(52,30,666)	(51,30,666)
<b>(2) Non-current liabilities</b>					
(a) Long-Term borrowings	4	15,06,12,440		14,50,71,291	
(b) Deferred tax liability		-	15,06,12,440	-	14,50,71,291
<b>(3) Current liabilities</b>					
(a) Trade payables	5				
- Due to Micro and small enterprises		-		-	
- Due to others		48,86,810		13,33,083	
(b) Other current liabilities	6	31,80,13,304	32,29,00,113	20,87,23,935	21,00,57,018
<b>Total</b>			<b>46,55,70,002</b>		<b>34,99,97,643</b>
<b>II. Assets</b>					
<b>(1) Non Current Assets</b>					
<b>(a) Fixed Assets</b>					
Tangible Assets	7		41,564		27,999
<b>(2) Current Assets</b>					
(a) Inventories	8	38,49,72,723		27,65,45,798	
(b) Trade receivables	9	20,21,545		-	
(c) Cash and Cash equivalents	10	37,79,074		1,34,13,505	
(d) Short-term loans and advances	11	7,47,55,095	46,55,28,438	6,00,10,341	34,99,69,644
<b>Total</b>			<b>46,55,70,002</b>		<b>34,99,97,643</b>
Accounting policies	1				
Notes on accounts	19-28				

As per our report of even date

For BRAHMAYYA & CO.,

Chartered Accountants

Firm's Registration No.: 000513S

For and on behalf of the Board of Directors  
of ARTHAVEDA STAR (GUNTUR) PRIVATE LIMITED

*[Signature]*

[CA. Karumanchi Rajaj]

Partner

Member Ship No: 202309



*[Signature]*

Ch. Naga Malleswara Srinivas

Managing Director

*[Signature]*

Ch. Kiranmayi

Director

Place : Guntur

Date : 29/3/18



**ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED**  
**GUNTUR**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018**  
**(Amount in Rs.)**

PARTICULARS	Note no.	Year ended 31.03.2018	Year ended 31.03.2017
<b><u>Continuing Operations</u></b>			
<b>I. Revenue:</b>			
<b>Revenue from operations</b>			
(a) Sale of flats	12	53,66,000	21,69,500
(b) Other Income	13	9,225	20,990
Total		<b>53,75,225</b>	<b>21,90,490</b>
<b>II. Expenses :</b>			
(a) Construction expenses	14	3,99,24,280	4,88,72,203
(b) Increase in inventories of Work-in-progress	15	(10,84,26,925)	(10,85,04,017)
(c) Employee benefits expenses	16	53,92,674	33,73,077
(d) Finance Cost	17	6,85,02,645	6,12,31,814
(e) Depreciation	7	7,842	6,188
(f) Other expenses	18	27,86,594	11,69,455
Total		<b>81,87,111</b>	<b>61,48,720</b>
Profit/(Loss) before Tax		(28,11,886)	(39,58,230)
Less: Tax expense:			
- Current Tax		-	-
- Deferred tax		-	-
Profit/(Loss) after Tax		(28,11,886)	(39,58,230)
Earning Per Equity Share of Rs. 10/- each Basic and diluted		(281.19)	(395.82)
Accounting policies	1		
Notes on accounts	19-28		

As per our report of even date  
For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm's Registration No.: 000513S

For and on behalf of the Board of Directors  
of ARTHAVEDASTAR (GUNTUR) PRIVATE LIMITED

[CA. Karumanchi Rajaj]  
Partner  
Member Ship No: 202309



Ch. Naga Malleswara Srinivas  
Managing Director

Ch. Kiranmayi  
Director

Place : Guntur  
Date : 29/3/18



**STATEMENT ON ACCOUNTING POLICIES**

**a. Basis of Accounting and preparation**

The Company has prepared the financial statements under historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles in India. The financial statements are prepared to comply in all material respects with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, the pronouncements of ICAI and the relevant provisions of Companies Act, 2013.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**b. Use of Estimates**

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities and commitments. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The judgments, estimates and underlying assumptions are made with the management's best knowledge of the business environment and are reviewed on an ongoing basis. However, future results could differ from these estimates. Any revision to these accounting estimates is recognised prospectively in the current and future periods.

**c. Tangible fixed assets**

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties and taxes, the cost of installation/erection and other incidental expenses incurred to bring the asset to its present location and condition but exclusive of duties and taxes that are subsequently recoverable from taxing authorities.

**d. Depreciation**

Depreciation on fixed assets has been provided based on the useful lives as specified in Schedule II of Companies Act, 2013 under Written down value method.

**e. Borrowing Costs**

Borrowing Costs, that are directly attributable to the acquisition or construction of qualifying assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalised as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

Other borrowing costs are recognised as an expense in the period in which they are incurred.





**f. Inventories**

Stock of land: Land purchased for the purpose of construction of flats are valued at lower of cost or realizable price.

Work-in-progress: Buildings/residential flats under construction are considered as work-in-progress and are valued at cost incurred.

Finished goods: Buildings/residential flats whose construction has been completed and remains unsold at the end of the year is treated as part of inventory and are valued at lower of cost or realizable value.

The cost of inventories includes all such expenses, including borrowing costs, incurred to bring the asset to saleable condition.

**g. Revenue Recognition**

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

Revenue from sale of buildings/residential flats is recognised when the risks and rewards of ownership are transferred to the buyer under the terms of the contract usually on completion of construction/handover of possession of completed flat. In case of sale of undivided portion of land, the same is recognised as revenue immediately on registration of flat. In case of unfinished flat, though the same was registered in the name of the buyer, the revenue is recognized only on completion of flat and on handing over the possession of the completed flat.

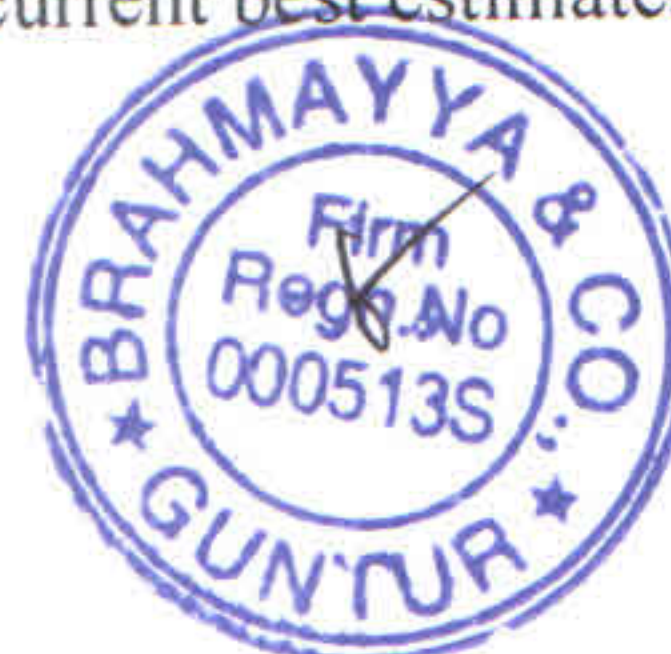
**h. Income Taxes**

Income tax expense comprises current and deferred taxes.

- i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- ii) Deferred tax is recognised under the liability method, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods, at the rate of tax enacted or substantively enacted by the balance sheet date.
- iii) Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation as per Income-tax laws are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary differences are recognized only if there is a reasonable certainty of realization.

**i. Provisions, Contingent Liabilities and Contingent assets**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.





Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The company does not recognize contingent liabilities but the same are disclosed in the Notes.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**j. Earnings per share**

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





**M/s. ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED**  
**GUNTUR**

**SHARE CAPITAL**

Note No: 2

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Authorised:</b>		
10,000 Equity Shares of Rs.10/- each	1,00,000	1,00,000
<b>Issued, Subscribed and paid-up:</b>		
10,000 Equity shares of Rs.10/- each	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

1. The company has only one class of Equity shares having a par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share on poll and have one vote on show of hands. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company in proportion to their shareholding to their shareholding after distribution of payments to preferential creditors.

2. Details of share holders holding more than 5% of total number of shares

Name of the Share Holder	As at 31.03.2018		As at 31.03.2017	
	Number of Shares held	% out of total number of shares of the company	Number of Shares held	% out of total number of shares of the company
IL&FS Trust Company Limited A/c Arthveda Star Fund	6,700	67.00%	6,700	67.00%
Chebrolu Kiranmayi	1,650	16.50%	1,650	16.50%
C. N.Srinivas	1,650	16.50%	1,650	16.50%
Total :	10,000	100.00%	10,000	100.00%

3. The company is neither a holding company nor a subsidiary company to any other company.

4. Reconciliation of number of Equity shares:

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Add:Shares Issued during the year	-	-	-	-
	10,000	1,00,000	10,000	1,00,000
Less:Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

5. None of the shares were allotted in pursuant to contract without payment being received in cash.

For Arthvedastar (Guntur) Realty Pvt.Ltd.



*C. Srinivas*  
Managing Director



**M/s. ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED**  
**GUNTUR**

**RESERVES AND SURPLUS**

Note No: 3

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Surplus in Profit and Loss Account</b>		
Figures as at the end of the previous reporting period	(52,30,666)	(12,72,436)
Add/Less: Profit/(Loss) for the year	(28,11,886)	(39,58,230)
Figures as at the end of current reporting period	<b>(80,42,552)</b>	<b>(52,30,666)</b>
<b>Total of Reserves and Surplus</b>	<b>(80,42,552)</b>	<b>(52,30,666)</b>

**LONG-TERM BORROWINGS**

Note No: 4

Particulars	Non-current		Current maturities (Overdue)	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>A. Secured</b>				
Project loan from Dewan housing Finance Corporation Limited	15,06,12,440	14,50,71,291	-	-
<b>B. Un Secured</b>				
35% 1,15,000 Optionally Fully Convertible Debentures of Rs. 1000/- each issued to Arthveda Star Fund (OFCD)	-		11,50,00,000	11,50,00,000
<b>Total</b>	<b>15,06,12,440</b>	<b>14,50,71,291</b>	<b>11,50,00,000</b>	<b>11,50,00,000</b>

Note :

1) Term loan from Dewan housing Finance Corporation Limited:

- The company has been sanctioned with Project loan of Rs.20 crores vide sanction letter dt.21.10.2015.
- The said loan is repayable in 24 equated monthly instalments and commencing after 36 months from the date of first disbursement.
- The loan carries interest @19%.
- The loan is primarily secured by way of exclusive charge by way of mortgage of land admeasuring Sq.yds 7744 at door no.2-14-156 in survey no.272&273 in Nallapadu village, Guntur along with present and future unsold construction thereon. Further exclusive charge by way of hypothecation on the present and future receivables arising out of the booked/sold/unsold flats. Further secured on immovable property belonging to one director and personally guaranteed by two directors in their personal capacities.

2) Terms of issue of debentures :

- As per the Share transfer cum Debenture subscription and shareholders agreement, Arthveda Star Fund agreed to subscribe to the Optionally fully convertible debentures (OFCD) issued by the company in several trenches. As per the terms, 35% 1,15,000 OFCD of Rs.1000/- each were issued upto 31.3.2016.
- As per the terms of the issue, the OFCD shall be redeemable in accordance with the exit plan as mentioned in the agreement along with the interest.
  - On or before 31 March, 2016 - 1,50,00,000/-
  - On or before 30 June, 2016 - 4,30,00,000/-
  - On or before 30 September, 2016 - 5,00,00,000/-
  - On or before 31 December 2016, -5,00,00,000/-
  - On or before 31 March, 2017 - 5,00,00,000/-
  - On or before 30 June, 2017 - 5,00,00,000/-
- As per the terms, entire outstanding balance as on 31.3.2018 is repayable before 31.3.2017. Hence the said liability was shown as current liability as overdue.
- In the absence of accumulated profits, the debentures redemption reserve ( DRR ) has not been created by the Company.
- In case of any default, the debenture holder at its sole discretion be entitled to convert all or part of the OFCD into shares of the company.

For Arthvedastar (Guntur) Realty Pvt.Ltd.

  
 Managing Director





**M/s. ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED**  
**GUNTUR**

**TRADE PAYABLES**

**Note No:5**

Particulars	As at 31.03.2018	As at 31.03.2017
Dues to : Small and Micro Enterprises *	-	-
: Others	48,86,810	13,33,083
<b>Total</b>	<b>48,86,810</b>	<b>13,33,083</b>

\*Note: The company has no information about the status of its creditors to identify their status under Micro, Small and Medium Enterprises Development Act, 2006. Consequently, the disclosure requirements u/s 22 of the said Act has not been made.

**OTHER CURRENT LIABILITIES**

**Note No: 6**

Particulars	As at 31.03.2017	As at 31.03.2017
Interest accrued and due on debentures	11,14,79,933	7,62,04,110
Current maturities of OFCD (Overdue) (Refer note no.4)	11,50,00,000	11,50,00,000
Advances received against sale of flats	7,95,00,828	1,20,90,670
Employee related payments	33,07,151	7,13,136
Statutory liabilities	87,00,392	46,80,619
Other liabilities	25,000	35,400
<b>Total</b>	<b>31,80,13,304</b>	<b>20,87,23,935</b>



For Arthvedastar (Guntur) Realty Pvt.Ltd.

*[Signature]*  
 Managing Director



**ARTHVEDA STAR ( GUNTUR ) REALTY PRAVATE LIMITED**  
**GUNTUR**

Note : 7

TANGIBLE ASSETS		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Upto 01.04.2017	For the year	On deductions	Upto 31.03.2018	As at 31.03.2018	As at 01.04.2017	
A C	21,048	-	-	21,048	4,652	3,810	-	8,462	12,586	21,048	
Water Purify	6,951	-	-	6,951	1,536	1,255	-	2,791	4,160	6,951	
Computer		27,595		27,595	-	2,778		2,778	24,817	-	
Total	27,999	27,595	-	55,594	6,188	7,842	-	14,030	41,564	27,999	
Previous year	-	36,000	-	36,000	-	1,813	-	1,813	34,187	-	



Mr Arthvedastar (Guntur) Realty Pvt Ltd.

*(Signature)*

Managing Director



**M/s. ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED**  
**GUNTUR**

**INVENTORIES**

Note No:8

Particulars	As at 31.03.2018	As at 31.03.2017
Construction work in progress	38,49,72,723	27,65,45,798
<b>Total</b>	<b>38,49,72,723</b>	<b>27,65,45,798</b>

**TRADE RECEIVABLES**

Note No:9

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Unsecured and considered and good</b>		
Outstanding for a period exceeding six months	-	-
Other debts	20,21,545	-
<b>Total</b>	<b>20,21,545</b>	<b>-</b>

**CASH AND CASH EQUIVALENTS**

Note No: 10

Particulars	As at 31.03.2018	As at 31.03.2017
Cash on hand	2,41,089	8,53,123
Cash equivalents		
Balances with schedule banks in current accounts	35,37,985	1,25,60,382
<b>Total</b>	<b>37,79,074</b>	<b>1,34,13,505</b>

**SHORT-TERM LOANS AND ADVANCES**

Note No: 11

Particulars	As at 31.03.2018	As at 31.03.2017
<b><u>Unsecured, Considered good</u></b>		
Advances paid against supplies	61,27,659	40,98,463
Employee related advances	67,000	81,000
G S T Input Credits	15,76,000	-
TDS recoverable from DHFL	28,25,265	-
Other loans and advances	80,000	-
<b><u>Loans &amp; Advances to Related Parties</u></b>		
Madhu Infrastructure Pvt Ltd	2,54,36,818	2,28,99,051
Parkville Projects Pvt Ltd	18,70,605	23,11,827
C N S Infra Projects ( India ) Pvt Ltd	47,18,595	23,94,000
Hamsika Infra Projects Pvt Ltd	34,04,554	21,11,000
Director - C N. Srinivas	2,84,93,600	2,61,15,000
Kiranmayi Chebrolu	1,55,000	-
<b>Total</b>	<b>7,47,55,095</b>	<b>6,00,10,341</b>



For Arthvedastar (Guntur) Realty Pvt.Ltd.

*[Signature]*  
Managing Director



**M/s. ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED**  
**GUNTUR**

**Revenue from sale of flats**

**Note No: 12**

Particulars	2017-18	2016-17
Sale of residential flats	53,66,000	21,69,500
<b>Total</b>	<b>53,66,000</b>	<b>21,69,500</b>

**Other Income**

**Note No: 13**

Particulars	2017-18	2016-17
Miscellaneous receipts	9,225	20,990
<b>Total</b>	<b>9,225</b>	<b>20,990</b>

**Construction expenses**

**Note No: 14**

Particulars	2017-18	2016-17
Construction material consumed	1,38,63,263	2,40,69,184
Labour charges	1,09,04,763	1,64,93,743
Supervisory and other staff salaries	57,48,675	38,54,789
Developmental Work	-	49,042
Sales and Marketing expenses	76,08,343	28,67,620
Other construction expenses	17,99,236	15,37,825
<b>Total</b>	<b>3,99,24,280</b>	<b>4,88,72,203</b>

**Changes in inventories of Work-in-progress**

**Note No.15**

Particulars	2017-18	2016-17
<b>Closing Stock :</b>		
<b>Work-in-Process:</b>		
Construction work in progress	38,49,72,723	27,65,45,798
<b>Sub total : A</b>	<b>38,49,72,723</b>	<b>27,65,45,798</b>
<b>Opening Stock :</b>		
<b>Work-in-Process</b>		
Construction work in progress	27,65,45,798	16,80,41,781
<b>Sub total : B</b>	<b>27,65,45,798</b>	<b>16,80,41,781</b>
<b>Increase in inventories</b>	<b>(10,84,26,925)</b>	<b>(10,85,04,017)</b>

**Employee benefits expenses**

**Note No: 16**

Particulars	2017-18	2016-17
Salaries and Wages	53,92,674	33,73,077
<b>Total</b>	<b>53,92,674</b>	<b>33,73,077</b>



For Arthvedastar (Guntur) Realty Pvt.Ltd.

*C. Srinivas*



**M/s. ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED  
GUNTUR**

**Financial Costs**

**Note No: 17**

Particulars	2017-18	2016-17
Interest Paid on term loan with DHFL	2,82,52,645	2,09,81,814
Interest Paid on debentures	4,02,50,000	4,02,50,000
Other borrowing costs	-	-
<b>Total</b>	<b>6,85,02,645</b>	<b>6,12,31,814</b>

**Other expenses**

**Note No: 18**

Particulars	2017-18	2016-17
Payments to Auditors towards : Statutory audit	25,000	35,400
Travelling expenses	7,18,257	3,10,844
Postal & Courier Charges	7,450	9,634
<b>Miscellaneous expenses</b>		
Audit Expenses	-	3,810
Bank Charges	7,736	14,576
Office Expenses	73,743	39,055
Pooja Expenses	12,641	12,461
Printing & Stationery	56,053	18,497
Vehicle Maintenance	6,57,581	1,05,874
Fax and Xerox Charges	-	4,521
Internet Charges	27,263	61,694
Misc Expenses	10,595	10,480
Rates & Taxes	1,1,000	12,200
Stamp Papers	7,820	960
Telephone Expenses	2,36,811	1,07,485
Rent	6,59,000	2,10,800
Donation	-	25,000
Computer Spares & Maintenance	7,574	7,469
Interest on T D S	66,270	1,78,695
Legal Expenses	1,00,000	-
Roc Fee	1,00,000	-
Service Tax Paid	1,800	-
<b>Total</b>	<b>27,86,594</b>	<b>11,69,455</b>



**For Arthvedastar (Guntur) Realty Pvt.Ltd.**

*[Signature]*  
Managing Director



**M/s. ARTHVEDASTAR ( GUNTUR ) REALTY PRIVATE LIMITED**  
**GUNTUR**


**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDING 31.3.2018**

**Year ended 31.03.2018**

**Year ended 31.03.2017**

- 19) Contingent liabilities not provided for  
Estimated amount of Contract  
remaining to be executed on  
Capital account and not provided for Nil Nil
- 20) Value of Imports made by the Company during the year calculated on CIF basis.  
Construction material Nil Nil
- 21) There were no earnings of foreign exchange with regard to export of goods during the current and previous year.  
No expenditure was incurred in foreign currency during the year.
- 22) The entire value of construction and other material consumed are indigenous only.
- 23) The balances in personal accounts of various parties are subject to confirmation by and reconciliation with the said parties.
- 24) In the opinion of the management, all the amounts stated under Current assets are expected to realise at the values stated in the financial statements in the ordinary course of business.
- 25) Since the Company deals only in construction activities, the reporting requirements as per AS - 17 on " segment reporting " does not arise during the year.
- 26) Disclosure pursuant to AS - 18 " Related party transactions " - (Enclosed).
- 27) The net deferred Tax Asset as on 31.03.2018 worked out in compliance with the requirements of AS-22 "Accounting for taxes on income" issued by ICAI, amounts to Rs.12,55,204/- (Pr. year Rs.15,89,303/-) a substantial portion of which is on account of unabsorbed depreciation and business losses and disallowance of expenses as per Income-Tax provisions. Considering the principle of prudence, the said deferred tax has not been recognised. It will be reassessed and recognised as and when it becomes reasonably certain that there will be sufficient income against which the said deferred tax asset can be set off.
- 28) GENERAL:**  
Paise have been rounded off.  
Previous year's figures have been regrouped where ever necessary.

As per our report of even date  
For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm's Registration No.: 000513S

  
[CA. Karumanchi Rajaj]  
Partner  
Member Ship No: 202309



For and on behalf of the Board of Directors  
of ARTHVEDASTAR (GUNTUR) PRIVATE LIMITED

  
Ch. Naga Malleswara Srinivas  
Director

  
Ch. Kiranmayi  
Director

Place : Guntur

Date : 28/9/18