

**Kanitha Real Estate Pvt Ltd**

**ANNUAL ACCOUNTS FOR  
THE YEAR 2016 - 2017**

**Kanitha Real Estate Pvt Ltd**

**Balance Sheet as at 31st March, 2017**

Particulars	Note No.	As at March 31, 2017		As at March 31, 2016	
		Rupees	Rupees	Rupees	Rupees
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share capital	2.1	100,000		100,000	
Reserves and surplus	2.2	(6,353)	93,647	(2,835)	97,165
<b>Non-current liabilities</b>					
Long-term borrowings	2.3	4,834,078,452	4,834,078,452	4,606,458,890	4,606,458,890
<b>Current liabilities</b>					
Other Current liabilities	2.4	1,103,195,688	1,103,195,688	367,052,247	367,052,247
<b>Total</b>			<b>5,937,367,787</b>		<b>4,973,608,302</b>
<b>II. ASSETS</b>					
<b>Non-current Assets</b>					
Investment	2.5	4,074,209,349	4,074,209,349		4,074,209,349
<b>Current Assets</b>					
Inventories	2.6	1,125,561,404		442,401,426	
Cash and cash equivalents	2.7	669,434		7,814,427	
Short-term loans and advances	2.8	736,927,600		449,138,100	
Other current assets	2.9	-	1,863,158,438	45,000	899,398,953
<b>Total</b>			<b>5,937,367,787</b>		<b>4,973,608,302</b>
Significant Accounting Policies and Notes on Accounts	<b>1 &amp; 2</b>				

This is the Balance Sheet referred to In our report of even date.

Thar & Co.,  
Chartered Accountants  
Firm Regn. No. 110958W

*Vivek J. Thar*  
CA Vivek J. Thar  
Partner  
Membership No. : 154812  
Place: Mumbai  
Date: 1st September 2017



For and on behalf of the Board

*Shivaji Bate*  
Shivaji Bate  
Director  
DIN : 07017230

*S.H. Shirolkar*  
Sayali Shirolkar  
Director  
DIN : 07027394



Kanitha Real Estate Pvt Ltd

Statement for Profit and Loss for year ended March 31, 2017

Particulars	Note No.	Year ended March	Year ended March
		31, 2017	31, 2016
		Rupees	Rupees
Other income			
<b>Total Revenue</b>		-	-
<b>EXPENSES:</b>			
Other expenses	2.10	3,518	2,835
<b>Total Expenses</b>		<b>3,518</b>	<b>2,835</b>
<b>Profit before Tax</b>		<b>(3,518)</b>	<b>(2,835)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit (Loss) after Tax</b>		<b>(3,518)</b>	<b>(2,835)</b>
<b>Earnings Per equity share (Face Value Rs. 10) :</b>	2.15		
Basic & Diluted		(0.35)	(0.28)
Significant Accounting Policies and Notes on Accounts	1 & 2		

This is the Statement of Profit and Loss referred to in our report of even date.

Thar & Co.,  
Chartered Accountants  
Firm Regn. No. 110958W

*Vivek J. Thar*

CA Vivek J. Thar  
Partner  
Membership No. : 154812  
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For and on behalf of the Board

*Shivaji Bate*

Shivaji Bate  
Director  
DIN : 07017230

*S. H. Shirolkar*

Sayali Shirolkar  
Director  
DIN : 07027394



## Kanitha Real Estate Pvt Ltd

### 1 Significant Accounting Policies and Notes to Accounts forming part of accounts for year ended 31st March 2017

#### Nature of Operation

Kanitha Real Estate Private Limited, was incorporated on 10th June 2015 as a private limited Company. The Company is formed to establish and carry on the business as real estate developers, property owners and builders.

#### SIGNIFICANT ACCOUNTING POLICIES:

##### 1.1 Basis of Preparation of Financial Statement

- a. The financial statements are prepared under the historical cost convention on accrual basis, in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 2013 (the Act). The Accounting Standards (AS) referred to in the notes are as issued by the Institute of Chartered Accountants of India.
- b. The preparation of financial statements requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized
- c. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company

##### 1.2 Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires the management to make judgements, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities and disclosures of contingent liabilities as on date of the financial statements. Although these estimates and assumptions are based upon management's evaluation of the relevant facts and circumstances, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### 1.3 Investments

- a. Investments which are readily realizable and intended to be held for not more than one year from the date on which Investments are made are classified as Current Investments. All other Investments are classified as Non-Current Investments
- b. Current Investments are carried in the Financial Statement at lower of Cost or Fair Value determined on an Individual Investment Basis
- c. Non-Current Investments are carried at Cost. However, provision for diminution in the value is to be made to recognize a decline other than temporary nature in value of Investments as specified in Accounting Standard -13 on Accounting for Investments .

##### 1.4 Inventories

Inventory comprises of Work - in - progress which consists of capital contribution for JV and other expenses which is valued at lower of cost or estimated realizable value.

##### 1.5 Revenue Recognition

###### i Real Estate Projects

- a. Revenue from real estate projects is recognized on the "Percentage of Completion" (POC) Method of accounting.
- b. Revenue is recognized in relation to the sold areas on transfer of all significant risks and rewards of ownership to the buyer i.e. on issue of booking/ allotment letter. Total sales consideration of sold areas is recognized as revenue on the basis of percentage of actual costs incurred, including land, construction and development cost of projects under execution subject, to actual cost being 25 percent or more of the total estimated cost of projects.
- c. The stage of completion under the POC method is measured on the basis of percentage that actual costs incurred on real estate projects including land, construction and development cost bears to the total estimated cost of the project. The estimates of the projected revenues, projected profits, projected costs, cost to completion and the foreseeable loss are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, loss is recognized immediately.

###### ii Income from Construction Contracts

Revenue from construction contracts is recognized on the Percentage of Completion method of accounting. Income from construction contracts is recognized by reference to the stage of completion of the contract activity as certified by the client. Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.

###### iii Interest

Income on account of Interest is recognized on time proportion basis wherever the realization of the same is reasonably certain.



## 1.6 Borrowing Costs:

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to other than temporary intervention. All other borrowing costs are charged to the profit and loss account as incurred.

## 1.7 Expense Recognition

Indirect costs (like Administration Expenses, Advertisement and Marketing Expenses, etc.) are treated as period costs and are charged to the Profit & Loss Account in the year incurred. Expenses incurred on repairs & maintenance of completed projects is charged to Profit & Loss Account. Preliminary expenses are charged off in the year when it is incurred.

## 1.8 Taxation

Income tax expense comprises current tax expense and deferred tax expense / credit.

### a. Current tax

Provision for current tax is calculated in accordance with the provisions of the Income-Tax Act, 1961 and is made annually based on the tax liability computed after considering benefits admissible under the provisions of the Income Tax Act, 1961.

### b. Deferred tax

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been 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 reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

## 1.9 Provisions and Contingencies

- a. The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- b. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.
- c. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the period in which the change occurs.

## 1.10 Earnings per share ('EPS')

Basic EPS is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive.



**Kanitha Real Estate Pvt Ltd**

**Notes to Accounts for the year ended March 31, 2017**

	31-Mar-17 Rs.	31-Mar-16 Rs.
<b>Note 2.1 Share Capital</b>		
<b>Authorized</b>		
<b>Equity Shares Rs. 10 par value</b>		
10000 (10000) equity shares	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Issued, Subscribed and Fully Paidup</b>		
<b>Equity Shares Rs. 10 par value</b>		
10000 (10000) equity shares	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Reconciliation of shares</b>		
No. of shares at the beginning of the year	10,000	-
Add : No. of Shares Issued during the year	-	10,000
<b>No. of Shares at the end of the year</b>	<u>10,000</u>	<u>10,000</u>

**Rights, Preferences and Restrictions -**

The Company has only one class of shares referred to as Equity Shares having a Par Value of Rs. 10. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The shareholders are eligible for dividends declared, if any, on proportionate basis.

Shares held by	No. of Shares	Amount
RIP Developers Pvt Ltd	9,999	99,990

**Shareholders holding more than 5% of shares :**

Name	No. of Shares	No. of Shares	% of Shares
RIP Developers Pvt Ltd	9999	9999	99.99

**Note 2.2 Reserves and Surplus**

31-Mar-16  
Rs.

<b>Surplus</b>			
Opening Balance	(2,835)		
Transferred from Statement of Profit and Loss	(3,518)		
Closing Balance		(6,353)	(2,835)
<b>TOTAL</b>		<u>(6,353)</u>	<u>(2,835)</u>

**Note 2.3 Long Term Borrowing**

**Term Loans from Others (Secured)**

Loan from Financial Institution	4,834,078,452	4,606,458,890
<b>TOTAL</b>	<u>4,834,078,452</u>	<u>4,606,458,890</u>

There is no case of continuing default as on the balance sheet date in repayment of above loans and interest thereon.



**Kanitha Real Estate Pvt Ltd**

**Notes to Accounts for the year ended March 31, 2017**

	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Note 2.4 Other current Liabilities</b>		
Advance Received For Joint Venture Under Negotiation	1,087,428,125	342,105,000
Statutory Dues	14,764,273	23,966,726
Other Payable	943,290	950,521
Audit Fees Payable	60,000	30,000
<b>TOTAL</b>	<b><u>1,103,195,688</u></b>	<b><u>367,052,247</u></b>
<b>Note 2.5 Investment</b>		
Long term investment In Preference Shares		
Wadhwan Realtors Pvt. Ltd. 407052 (Previous Year 407052) of Rs. 10 each	4,074,209,349	4,074,209,349
<b>TOTAL</b>	<b><u>4,074,209,349</u></b>	<b><u>4,074,209,349</u></b>
<b>Note 2.6 Inventories</b>		
<b>Valued at Cost or Net Realizable Value whichever is lower</b>		
Work in Progress	1,125,561,404	442,401,426
<b>TOTAL</b>	<b><u>1,125,561,404</u></b>	<b><u>442,401,426</u></b>
<b>Note 2.7 Cash and Cash Equivalents</b>		
Balances with banks in current accounts	550,699	7,745,692
Cash on hand	118,735	68,735
<b>TOTAL</b>	<b><u>669,434</u></b>	<b><u>7,814,427</u></b>
*None of the above balance is earmarked, or held as margin money or having any restriction		
<b>Note 2.8 Short Term Loans and Advances</b>		
<b>Unsecured Considered Good</b>		
Other Advance	736,927,600	449,138,100
<b>TOTAL</b>	<b><u>736,927,600</u></b>	<b><u>449,138,100</u></b>
<b>Note 2.9 Other Current Assets</b>		
Preliminary Expenses	-	15,000
Pre - Operative Expenses	-	30,000
<b>TOTAL</b>	<b><u>-</u></b>	<b><u>45,000</u></b>
<b>Note 2.10 Other Expenses</b>		
Professional Fees	1,500	-
Bank Charges	2,018	2,835
<b>TOTAL</b>	<b><u>3,518</u></b>	<b><u>2,835</u></b>



Notes to Accounts for the year ended March 31, 2017

Particulars	Amt. in Rs.	
	For the year ended	For the year
	on March 31, 2017	ended on March 31, 2016
- Current Tax		-
- Deferred Tax		-
- Tax of earlier years		-

**2.12 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)**

The company does not anticipate any contingent liability.

**2.13 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:**

No amount is due Under the Micro, Small and Medium Enterprises Development Act, 2006 as per information and explanation provided by the management.

**2.14 EMPLOYEES BENEFIT PLANS:**

The company does not have any employee; hence no provision has been made towards retirement obligations.

**2.15 EARNING PER SHARE:**

Particulars	Amt. in Rs.	
	For the year ended	For the year
	on March 31, 2017	ended on March 31, 2016
<b>Earning Per Share:</b>		
- Profit/(Loss) Before Taxation	(3,518)	(2,835)
- Less: Provision for Taxation	-	-
- <b>Net Profit/(Loss) for EPS</b>	<b>(3,518)</b>	<b>(2,835)</b>
- Weighted avg number of Equity Shares outstanding (Incl. partly paid-up shares)	10,000	10,000
- Basic & Diluted EPS (Rs.)	(0.35)	(0.28)

Note: There is no potential equity shares outstanding during the year under review. Hence Basic EPS & Diluted EPS remains same.

**2.16 REMUNERATION TO AUDITORS:**

Particulars	Amt. in Rs.	
	For the year ended	For the year
	on March 31, 2017	ended on March 31, 2016
For Audit Fees	30,000	30,000
For Other Fees	-	-
	<b>30,000</b>	<b>30,000</b>

**2.17 SEGMENT REPORTING**

The company has not started operations; hence the requirements of Segment Reporting pursuant to AS 17 issued by the Institute of Chartered Accountants of India are not applicable.

**2.18 DISCLOSURE UNDER SECTION 186 OF COMPANIES ACT, 2013**

Loan Given; The company has claimed interest as required us 186 of the Companies Act , 2013 on the fresh/New loan (if any) given after 1st April 2014 except on transaction during the year to honour commitments prior to 31.3.2014.

**2.19 DISCLOSURE OF DETAILS OF SPECIFIED BANK NOTES ("SBN"):**

The details of Specified Bank Notes ("SBN") held and transacted during the period from 08th November 2016 to 30th December 2016 is given as under:

Particulars	SBNs	Other Notes	Total
Closing Cash in Hand as on 08-11-2016	-	68,735	68,735
Add: Permitted Receipt	-	-	-
Add: Withdrawals from Banks	-	50,000	50,000
Less: Permitted Payments/ Expenses	-	-	-
Less: Deposited in Banks	-	-	-
Closing Cash in Hand as on 30-12-2016		118,735	118,735



Kanitha Real Estate Pvt Ltd

Notes to Accounts for the year ended March 31, 2017

2.20 OTHER INFORMATION

Other Information required under Part I & Part II of Schedule III to The Companies Act, 2013 are either NIL or NOT APPLICABLE.

As per report of even date attached.

**Thar & Co.,**  
Chartered Accountants  
Firm Regn. No. 110958W

*विवेक जे. थार*  
**CA Vivek J. Thar**  
Partner  
Membership No. : 154812  
Place: Mumbai  
Date: 1st September 2017



For and on behalf of the Board

*Shivaji Bate*

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Director  
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*S. H. Shirolkar*

**Sayali Shirolkar**  
Director  
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