



CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To The Members of
Aarvi Engineering & Consultants Private Limited

Report on Standalone Financial Statements

We have audited accompanying standalone financial statements of **Aarvi Engineering & Consultants Private Limited** (the "company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 there under.

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 auditor's



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2018 and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.

As required by section 143(3) of the Act, we further 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, 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 applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- 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 B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.



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 impacts its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Arvind H. Shah & Co.
Chartered Accountants
Firm Reg. No. 100577W



Arvind Shah
(Proprietor)
Membership No. 100/31224



Place : Mumbai.

Date : 19 MAY 2018

Aarvi Engineering & Consultants Private Limited

Annexure – A to the Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that

- (I) (a) The company is in process of maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information & explanations given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of company.
- (II) The Company being in service sector, does not hold any physical inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
- (III) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii)(a) to (c) of paragraphs 3 of the order are not applicable to the company.
- (IV) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (V) The Company has not accepted deposits from the public during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- (VI) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- (VII) (a) According to the information and explanation given to us and on the basis of our examination of books of accounts and records, the Company has been regular in depositing the statutory dues applicable to the company with the appropriate authorities.
- (b) According to the information and explanations given to us, an undisputed amount of Rs. 22,470/- payable in respect of the above were in arrears as at March 31, 2018 for a period of more than 6 months from the date on when they became payable.



- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax outstanding on account of any dispute.
- (VIII) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (IX) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (X) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (XI) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid or provided for managerial remuneration.
- (XII) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (XIII) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (XIV) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (XV) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (XVI) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Arvind H. Shah & Co.
Chartered Accountants
Firm Reg. No. 100577W


Arvind Shah
(Proprietor)
Membership No. 100/31224



Place : Mumbai.

Date : 19 MAY 2018

Aarvi Engineering & Consultants Private Limited

Annexure – B to the Independent Auditor's Report

Report on the Internal Financial Controls Over Financial Reporting 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 **Aarvi Engineering and Consultants Private Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone 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.

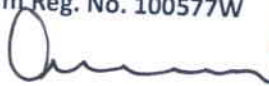
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 commensurate to its size and nature of business 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.

For Arvind H. Shah & Co.
Chartered Accountants
Firm Reg. No. 100577W



Arvind Shah
(Proprietor)
Membership No. 100/31224



Place: Mumbai.

Date: 19 MAY 2018

Aarvi Engineering & Consultants Private Limited.

603, B-1, Marathon Innova, Marathon Nextgen Complex, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

Balance Sheet As On 31st March, 2018.

Particulars	Note	2017-18	2016-17
		Amount (Rs.)	Amount (Rs.)
<u>I. Equity & Liabilities</u>			
<u>(1) Shareholder's Fund</u>			
(a) Share Capital	2	2,000,000	2,000,000
(b) Reserve & Surplus	3	4,465,666	788,089
<u>(2) Share Application Money Pending Allotment</u>		-	-
<u>(3) Non Current Liabilities</u>			
(a) Long Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	4	91,976	91,976
<u>(4) Current Liabilities</u>			
(a) Short Term Borrowings	5	-	2,259,348
(b) Trade payables	6	31,500	159,125
(c) Short term Provisions	7	487,500	17,735
(d) Other Current Liabilities		-	-
TOTAL		7,076,642	5,316,273
<u>II. Assets</u>			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets			
Tangible Assets	8	447,905	5,367,736
(b) Non Current Investments		-	-
(c) Deferred Tax Assets (Net)	9	1,427,263	(420,698)
(d) Long Term Loans & Advances	10	164,948	183,397
(e) Other Non-Current Assets		-	-
<u>(2) Current Assets</u>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash & Cash Equivalents	11	5,036,526	185,838
(e) Short Term Loans & Advances		-	-
(f) Other Current Assets		-	-
TOTAL		7,076,642	5,316,273
Significant Accounting Policies	1		
Notes on Financial Statements	19 to 21		

As Per Our Report On Even Date

For Arvind H. Shah & Co.

Chartered Accountants

Firm Reg.No. : 100577W

CA. Arvind H Shah

(Proprietor)

Membership No. : 100/031224

Place : Mumbai

Date :

19 MAY 2018



For & On Behalf Of The Board

V. D. Sanghavi

Virendra D. Sanghavi
(Managing Director)
Din No. 0000759176

Jaydev Sanghavi

Jaydev V. Sanghavi
(Director)
Din No.0000759042

Profit & Loss for the year ended 31-03-2018.

Particulars	Note	2017-18	2016-17
		Amount (Rs.)	Amount (Rs.)
I Income			
Revenue From Operations		-	-
II Other Income	12	3,229,836	167,827
III Total		3,229,836	167,827
Expenditure:-			
Employee Benefits Expenses	13	-	2,129,330
Finance Cost	14	112,733	254,527
Depreciation	8	399,456	535,429
Administrative Expenses	15	325,532	1,079,373
IV Total		837,721	3,998,659
V Profit Before Exceptional & Extraordinary Items and Tax		2,392,116	(3,830,832)
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax		2,392,116	(3,830,832)
VIII Extraordinary Items		-	-
IX Profit before Tax		2,392,116	(3,830,832)
X Tax Expenses			
(a) Current Tax		562,500	-
(b) Deferred Tax		(1,847,961)	-
XI Profit/(Loss) for the period from Continuing Operations		3,677,577	(3,830,832)
XII Profit/(Loss) for Discontinuing Operations		-	-
XIII Tax Expenses of Discontinuing Operations		-	-
XIV Profit/(Loss) from Discountinuing Operations(After Tax)		-	-
XV Profit For The Year		3,677,577	(3,830,832)
XVI Earning Per Equity Share Of Face Value Of Rs.100 Each			
Basic / Diluted (in Rs.)	19	184	(185)

As Per Our Report On Even Date

For Arvind H. Shah & Co.
Chartered Accountants
Firm Reg.No. : 100577W

CA. Arvind H Shah
(Proprietor)
Membership No. : 100/031224

Place : Mumbai
Date :

19 MAY 2018



For & On Behalf Of The Board

V. D. Sanghavi
Virendra D. Sanghavi
(Managing Director)
Din No. 0000759176

Jaydev V. Sanghavi
Jaydev V. Sanghavi
(Director)
Din No.0000759042

Standalone Cash Flow Statement for the year ended 31 March, 2018.

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		2,392,116		(3,830,832)
<u>Adjustments for:</u>				
Depreciation and amortisation	399,456		535,429	
Interest income	-		(167,827)	
Loss on Sale of F.A/ Asset Written Off	(3,094,624)		-	
Dividend income	-	(2,695,169)	-	367,602
Operating profit / (loss) before working capital changes		(303,053)		(3,463,230)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Trade receivables	-		2,811,063	
Long Term Loans & Advances	18,449		3,552,575	
Short Term Loans & Advances	-		65,972	
Other current assets	-	18,449	-	6,429,610
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(127,625)		(32,121)	
Other Non Current Liabilities	-			
Other current liabilities	-		(39,847)	
Short-term provisions	469,765	342,140	(431,530)	(503,498)
Taxes paid		(562,500)		(193,506)
Net cash flow from / (used in) operating activities (A)		(504,964)		2,269,376
B. Cash flow from investing activities				
Purchase of fixed assets	-		-	
Sale / Adjustment of fixed assets	7,615,000		-	
Purchase/Sale of Investments	-		-	
Dividend	-		-	
Bank balances not considered as Cash and cash equivalents	-		-	
Interest received	-		-	
- Others	-	7,615,000	167,827	167,827
Net cash flow from / (used in) investing activities (B)		7,615,000		167,827
C. Cash flow from financing activities				
Short Term Borrowings / Repaid	(2,259,348)		(2,480,019)	
Net cash flow from / (used in) financing activities (C)		(2,259,348)		(2,480,019)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		4,850,688		(42,815)
Cash and cash equivalents at the beginning of the year		185,839		228,655
Cash and cash equivalents at the end of the year		5,036,527		185,839
Components of Cash and Cash Equivalents				
(a) Cash on hand		20,749		15,250
(b) Balances with banks				
(i) In current accounts		5,015,778		170,590
(ii) In deposit accounts maturity less than 3 month				-
Total Cash and Cash Equivalents (note 14)		5,036,527		185,839

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement as notified under Companies (Accounting Standards) Rules, 2006 (as amended).

As Per Our Report On Even Date

For Arvind H. Shah & Co.

Chartered Accountants

Firm Reg.No. : 100577W

CA. Arvind H. Shah

(Proprietor)

Membership No. : 100/031224

Place : Mumbai

Date :

For & On Behalf Of The Board

U. D. Sanghavi *Jaydev Sanghavi*

Virendra D. Sanghavi

(Managing Director)

Din No. 0000759176

Jaydev V. Sanghavi

(Director)

Din No.0000759042

19 MAY 2018



AARVI ENGINEERING & CONSULTANTS PRIVATE LIMITED.

603, B-1, Marathon Innova, Marathon Nextgen Complex, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

1. Significant Accounting Policies and Notes To Accounts :

1 Basis of Preparation :

- a. The company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.
- b. These Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAPP) in India and Applicable Accounting Standard notified under Sub-Section (3C) of Section 211 of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of Companies Act, 2013 ("The Act") in terms of General Circular 15/2013 dated 13th September, 2013 of MCA and the relevant provisions of Companies Act, 2013 as applicable.
- c. The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

2 Tangible Assets

- a. Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost includes cost of acquisition, construction, erection, installation etc., preoperative expenses (including trial run) and borrowing costs incurred during pre-operational period.
- b. Depreciation on addition/ deletion to fixed assets is calculated pro-rata from/ upto the date of such addition/ deletions. Depreciation is provided on a written down value method on the cost of tangible assets less accumulated depreciation upto 31st March 2017. The estimated economic life of the asset as adopted by the management of the company is as under :

Sr. No.	Particulars	Life of the asset
1	Office Premises	50 Year
2	Furniture and Fixtures	15 Year
3	Vehicles	10 Year
4	Office equipment	20 Year
5	Computers	6 Year

3 Borrowing Cost

Borrowing Cost directly attributable to acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in Statement of Profit and loss in the period in which they are incurred.

4 Revenue Recognition

Revenue from Consultancy services are recognised on accrual basis, when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering of services.

5 Foreign currency Transaction

Foreign currency transaction are recorded at the exchange rates prevailing on the date of such transaction. Foreign currency monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing on the Balance Sheet date. Gains and losses arising on account of difference in foreign exchange rates on settlement/ translation of foreign currency monetary assets and liabilities are recognised in Statement of Profit and Loss.

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AARVI ENGINEERING & CONSULTANTS PRIVATE LIMITED

603, B-1, Marathon Innova, Marathon Nextgen Complex, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

1. Significant Accounting Policies and Notes To Accounts (Contd.....) :

6 Employee Benefits:

a. Defined Contribution Plan

The company has Defined Contribution Plans for post employment benefits namely Provident Fund, Labour Welfare Fund and Employees' State Insurance Fund which are recognised by the income tax authorities and administered through appropriate authorities.

The company contributes to a Government administered Provident Fund, Employees' State Insurance Fund and has no further obligation beyond making its contribution.

The company's contributions to the above funds are expensed in the year to which its pertain.

b. Employee Leave Entitlement:

The employees of Companies are entitled to leave as per the leave policy of the Company. The liability in respect of unutilised leave balance is provided on basis of estimation of last year claims as at the year end and is expensed in the year to which it pertains.

7 Current and Deferred Tax

a. Current Taxation

Current taxation is determined as the amount of tax payable in respect of taxable income for the year as per Income Tax Act, 1961 of India.

b. Deferred Taxation

Deferred taxation resulting from timing difference between book and tax profits is accounted for under the liability method, at the current / substantially enacted rate of the tax to the extent that the timing differences are expected to crystallise.

Deferred tax assets arising in situations where there are brought forward losses and unabsorbed depreciation as per the income tax act 1961, of India, are recognised only when there is a virtual certainty supported by convincing evidence that such assets will be realised.

8 Provisions and Contingent Liabilities

a. The company recognised a provision when there is a present obligation as a result of a 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 or a present that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation but likelihood of outflow of resources is remote, no provision or disclosure as specified in AS 29- "Provision, Contingent Liabilities and Contingent Assets", issued by ICAI is made.

b. The company has shown its future liability against payment of claim or compensation to families of its employees, who were died in an unfortunate accident while travelling to office to the client site.

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Aarvi Engineering & Consultants Private Limited.

603, B-1, Marathon Innova, Marathon Nextgen Complex, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

Notes On Financial Statements For The Year Ended 31st March, 2018

2. Share Capital

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	<u>Autorised share capital</u> 1,00,000 (Previous Year 1,00,000) Equity Shares @ 100/- each with Voting rights	10,000,000	10,000,000
2	<u>Issued & Paid up Share Capital</u> 20,000 (Previous Year 20,000) Equity Shares @ 100/- each with Voting rights	2,000,000	2,000,000
	TOTAL	2,000,000	2,000,000

Terms/rights attached to the Equity Shares:

The Company has issued one class of Equity Shares having face value of Rs. 100/- per share. Equity Shareholders has right to vote, in respect of such share, on every resolution palced before the company and their voting right on a poll shall be in proportion to their share of the paid up Equity Share of the company. In the event of liquidation, the equity shareholders are entitle to receive assets of the company after payments to secured and unsecured creditors in proportion of their shareholdings.

Detail Of Shares Held By Each Shareholders Holding More Than 5% Shares:

S.No.	Class of shares / Name of shareholder	As at 31 March, 2018		As at 31 March, 2017	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
1	<u>Equity Shares</u> Aarvi Encon Private Limited	20,000	100.00%	20,000	100.00%

S.No.	Particulars	Equity Shares (31-3-2018)		Equity Shares (31-3-2017)	
		Number	Amount (Rs.)	Number	Amount (Rs.)
1	Shares outstanding at the beginning of the year	20,000	2,000,000	20,000	2,000,000
2	Shares Issued during the year	-	-	-	-
3	Shares bought back during the year	-	-	-	-
4	Shares outstanding at the end of the year	20,000	2,000,000	20,000	2,000,000

3. Reserves and Surplus

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
	<u>Profit & Loss A/c</u>		
	Opening Balance	788,089	4,812,428
	Add: Surplus During The Year	3,677,577	(3,830,832)
		4,465,666	981,596
	Add: Provision Adjustment		
	Less: Provision Adjustment		193,507
	Total	4,465,666	788,089

4. Long Term Provisions

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	Provision for Income Tax	91,976	91,976
	Total	91,976	91,976

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Aarvi Engineering & Consultants Private Limited.

603, B-1, Marathon Innova, Marathon Nextgen Complex, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

Notes On Financial Statements For The Year Ended 31st March, 2018 [Contd.....]

5. Short Term Borrowings

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	<u>Secured</u> OD/ CC Facility from Yes bank (See Grp. 3)	-	(630,225)
2	<u>Unsecured Loans</u> Loans from directors and Holding Company (See Grp. 4)	-	2,889,573
	Total	-	2,259,348

Note: In respect of Overdraft/Cash Credit Facility : (Exposure: ₹ 50 Lacs)

1. Primary Security: Charge on All Current Assets existing and future OF COMPANY
2. Collatral Security : Secured by EM of premises of 101, A wing, Plot no X- 4/1,X-4/2 TTC Mahape, Navi Mumbai.
3. Perosnal Guarantee of all Directors of Company
4. Coporate Guarantee of Holding Company i.e. Aarvi Encon Private Limited.

In respect of Unsecured Loans

1. Unsecured Loans from Holding Company or Directors will be charged interest @13% p.a.

6. Trade Payable

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	Sundry Creditors	31,500	159,125
	Total	31,500	159,125

7. Short Term Provisions

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	<u>Others Payables</u> TDS Payable	-	17,735
2	Provision for Taxation (Net of TDS of Rs 75,000/-) (Previous Year : Rs . Nil)	487,500	-
	Total(A+B)	487,500	17,735

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Aarvi Engineering & Consultants Private Limited.

603, B-1, Marathon Innova, Marathon Nextgen Complex, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

Notes On Financial Statements For The Year Ended 31st March, 2018 [Contd.....]

8. Fixed Assets

Sr. No.	Fixed Assets	Gross Block				Accumulated Depreciation			Net Block		
		Balance as at 1 April 2017	Additions	Deletion / Adjustments	Balance as at 31 March 2018	Accumulated as on April 1, 2017	Depreciation charge for the year	On disposals / Adjustments	Accumulated Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
a	Tangible Assets										
	Office Premises	6,947,490	-	6,947,490	-	2,293,601	223,132	2,516,733	(0)	0	4,653,889
	Furniture and Fixtures	1,270,204	-	-	1,270,204	959,036	56,321	-	1,015,357	254,847	311,168
	Vehicles	827,721	-	827,721	-	732,640	5,463	738,103	(0)	0	95,081
	Office equipment	107,052	-	-	107,052	73,760	4,817	-	78,577	28,475	33,292
	Computers	1,078,922	-	-	1,078,922	804,616	109,722	-	914,338	164,584	274,306
	Total	10,231,389	-	7,775,211	2,456,178	4,863,653	399,456	3,254,836	2,008,273	447,905	5,367,736
b	Intangible Assets										
	Total	-	-	-	-	-	-	-	-	-	-

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Aarvi Engineering & Consultants Private Limited.
603, B-1, Marathon Innova, Marathon Nextgen Complex, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

Notes On Financial Statements For The Year Ended 31st March, 2018 [Contd.....]

9. Deferred Tax Assets (Net)

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	On Fixed Assets		
2	On Unabsorbed Depreciation	64,562	(420,698)
3	Business Loss	-	-
		1,362,701	-
	Total	1,427,263	(420,698)

9. Long Terms Loans & Advances

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	<u>Security Deposit (See Grp.7)</u> Unsecured, Considered Good	164,948	183,397
2	<u>Other Loans & Advances (See Grp.6)</u> Secured, Considered Good	-	-
	Total	164,948	183,397

11. Cash And Cash Equivalents

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	Cash In hand	20,749	15,248
2	Cash At Bank (See Grp. 9)	5,015,778	170,590
	Total	5,036,526	185,838

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Aarvi Engineering & Consultants Private Limited.

603, B-1, Marathon Innova, Marathon Nextgen Complex, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

Notes On Financial Statements For The Year Ended 31st March, 2018 [Contd.....]

12. Other Income

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	Interest on Income Tax Refund	-	167,827
2	Creditors Writtens Back	135,212	-
3	Profit on Sale ^{\$}	3,094,624	-
	Total	3,229,836	167,827

^{\$} Profit on sale includes profit on sale of office premises for which the company has not entered into the agreement and has also provided the possession vide letter dated 16.03.2018.

13. Employee Benefit Expenses

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	Salary to Employees	-	1,988,626
2	PF & Other Fund Contribution	-	81,935
3	Staffwelfare Expenses	-	58,769
	Total	-	2,129,330

14. Finance Cost

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	Bank Interest on Overdraft	-	117,084
2	Interest on Unsecured Loan	112,733	137,443
	Total	112,733	254,527

15. Administrative Expenses

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	Bank Charges	156	633
2	Conveyance Expenses	-	62,175
3	Travelling Expenses	-	33,063
4	Office Maintenance Charges	76,628	81,695
5	Professional Fees (Admn.)	166,752	694,373
6	Property Tax	35,876	-
7	Printing & Stationery Expenses	-	4,725
8	Sundry Expenses W/off	118	185,527
9	Telephone Expenses	1,306	4,297
11	Audit fees (Refer Note 23)	35,000	-
12	Insurance	-	6,003
13	News papers	-	682
14	ROC Fees	9,696	6,200
	Total(B)	325,532	1,079,373

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Aarvi Engineering & Consultants Private Limited.

603, B-1, Marathon Innova, Marathon Nextgen Complex, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

Notes On Financial Statements For The Year Ended 31st March, 2018 [Contd.....]

16. Earning Per Share

1	Net Profit After Tax As Per Statements Of Profit & Loss Attributes To Equity	3,677,577	(3,830,832)
2	Weighted Avg. No. Of Equity Shares	20,000	20,000
3	Basis Earning Per Share/ Diluted EPS (Rs.)	183.88	(191.54)
4	Face Value Per Equity Shares (Rs.)	100	100

17. Related Party Disclosures :-

As per Accounting Standard 18, the disclosures of transactions with related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

S.No.	Name of Related Parties	Relationship
1	Mr. Virendra D. Sanghavi	Director
2	Mr. Jaydev V. Sanghavi	Director
3	Mrs. Niranjana V. Sanghavi	Wife of Director Mr. Virendra D. Sanghavi
4	Mrs. Naini Ninad Kulkarni	Daughter of Director Mr. Virendra D. Sanghavi
5	Mrs. Ami Jaydev Sanghavi	Wife of Director Mr. Jaydev V. Sanghavi
6	Aarvi Encon Limited (Formerly Aarvi Encon Private Limited)	Holding Company

(ii) Transaction during the year with Related Parties

S.No.	Nature of Transaction	Key Managerial Personnel	Total (Rs.)
1	Interest On Unsecured Loan	Aarvi Encon Limited	112,733
2	Unsecured Loan received	Aarvi Encon Limited	-

18. Contingent Liabilities

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	There are no Contingent Liabilities and Capital Commitments	Nil	Nil
	TOTAL	Nil	Nil

19. Foreign Exchange Inflow / Outflow

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	Foreign exchange inflow during the year	Nil	Nil
	Foreign exchange outflow during the year	Nil	Nil
	TOTAL	Nil	Nil

20. Payment to Auditors

S.No.	Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
1	Audit Fees - Statutory Audit	35,000	Nil
	TOTAL	35,000	Nil

21. The Previous Year Figures has been regrouped, rearranged and reclassified for comparison purposes.

As Per Our Report On Even Date
For Arvind H. Shah & Co.
Chartered Accountants
Firm Reg.No. : 100577W

For & On Behalf Of The Board

CA. Arvind H Shah
(Proprietor)
Membership No. : 100/031224

Mr.Virendra D. Sanghavi
(Managing Director)
Din No. 0000759176

Mr. Jaydev V. Sanghavi
(Director)
Din No.0000759042

Place:- Mumbai
Date :-

19 MAY 2018

