

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF JAICORP WELFARE FOUNDATION (Registered U/s 8 of the Companies Act,2013)**

#### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of **JAICORP WELFARE FOUNDATION** ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India (Indian GAAPs), including Accounting Standards prescribed under Section 133 of the Act as applicable;

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **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 the Rules made thereunder and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its loss and its cash flows for the year ended on that date.

### **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 sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" hereto, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
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 it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- 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**”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact of its financial position in its financial statements.
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Pathak H.D. & Associates**  
Chartered Accountants  
Firm Reg. No. 107783W

Anuj Bhatia  
**Partner**  
Membership No.:-122179

Place: Mumbai  
Dated: 02.05.2016

## **ANNEXURE - A TO INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of JAICORP WELFARE FOUNDATION on the accounts for the year ended 31<sup>st</sup> March, 2016)**

- i. In respect of its fixed assets:  
The Company does not have any fixed assets and hence the provisions of clause (i) of paragraph 3 of the said order are not applicable to the Company.
- ii. In respect of its inventories:  
The Company does not have any Inventories and hence the provisions of clause (ii) of paragraph 3 of the said order are not applicable to the Company.
- iii. In respect of loans, secured / unsecured,  
The Company does not granted any loan, secured or unsecured, to companies, firm or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence the provisions of Clause (iii) of paragraph 3 of the said order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not entered any transaction in respect of loans, investments, guarantees and security covered under section 185 and 186 of the Act and hence the provisions of clause (iv) of paragraph 3 of the said Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the provisions of clause (v) of paragraph 3 of the said Order are not applicable to the Company.
- vi. According to the information and explanation given to us, cost records pursuant to Companies (Cost Records & Audit) Rules 2014 prescribed by Central Government under section 148 (1) (d) of the Act are not applicable in respect of activities carried out during the year by the Company and hence the provisions of clause (vi) of paragraph 3 of the said order are not applicable to the Company
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a. The company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at

31st March, 2016 for a period of more than six months from the date they became payable.

- b. According to the information and explanation given to us there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax and cess as it applicable, which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and according to the information and explanations given by management, during the year, the Company did not have any loans from bank, financial institutions or by way of debentures and hence the provisions of clause (viii) of paragraph 3 of the said order are not applicable to the Company.
- ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no term loan was raised during the year and hence the clause (ix) of paragraph 3 of the said order are not applicable to the Company.
- x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations give to us the Company has not paid/ provided managerial remuneration by the Company and hence the provisions of clause (xi) of paragraph 3 of the said order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence the provisions of clause (xii) of paragraph 3 of the said Order are 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 and hence the provisions of clause (xiv) of paragraph 3 of the said Order are not applicable to the Company.

- xv. 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 directors or persons connected with him and hence the provisions of clause (xv) of paragraph 3 of the said Order are not applicable to the Company.
- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Pathak H.D. Associates**  
Chartered Accountants  
Firm Reg. No. 107783W

**Anuj Bhatia**  
**Partner**  
Membership No:-122179

Place: Mumbai  
Dated: 02.05.2016

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date on the financial statements of JAICORP WELFARE FOUNDATION for the year ended 31<sup>st</sup> March 2016**

**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 **JAICORP WELFARE FOUNDATION** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s 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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, 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 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Pathak H.D. Associates**  
Chartered Accountants  
Firm Reg. No. 107783W

**Anuj Bhatia**  
**Partner**  
Membership No:-122179

Place: Mumbai  
Dated:02.05.2016

**JAICORP WELFARE FOUNDATION**  
**BALANCE SHEET AS AT 31st MARCH 2016**  
(Registered U/s 8 of the Companies Act,2013)

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(Amount in Rs.)

Particulars	Note	As at 31st March, 2016	
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	2	500,000	
Reserves and Surplus	3	(14,490)	
			485,511
<b>2 Current Liabilities</b>			
Other Current Liabilities	4		14,375
<b>TOTAL</b>			499,886
<b>II. ASSETS</b>			
<b>1 Current Assets</b>			
Cash and Bank Balances	5		499,886
<b>TOTAL</b>			499,886
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	2 to 9		

As per our report of even date

For and on behalf of the Board of Directors

**For Pathak H. D. and Associates**

Chartered Accountants

(Firm Registration No. 107783 W)

**Satyapal Jain**  
(Director)  
(DIN 00011774)

**Anand Jain**  
(Director)  
(DIN 00003514)

**Anuj Bhatia**

Partner

Membership No.122179

Place : Mumbai

Date : 2<sup>nd</sup> May, 2016

**Virendra Jain**  
(Director)  
(DIN 00077662)

**JAICORP WELFARE FOUNDATION**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2016**  
(Registered U/s 8 of the Companies Act,2013)

(Amount in Rs.)

Particulars	Note	For the year ended 31st March, 2016
I. Other Income	6	-
II. Total Revenue		-
III. Expenses:		
Other Expenses	7	14,490
<b>Total Expenses</b>		<b>14,490</b>
IV. Net Loss (II-III)		<b>(14,490)</b>
V. Earnings per Equity Share:		
Basic & Diluted (in Rs.)	8	(0.29)
Face Value per Share (in Re.)		10
<b>Significant Accounting Policies</b>	1	
<b>Notes on Financial Statements</b>	2 to 9	

As per our report of even date

For and on behalf of the Board of Directors

**For Pathak H. D. and Associates**

Chartered Accountants

(Firm Registration No. 107783 W)

**Satyapal Jain**  
(Director)  
(DIN 00011774)

**Anand Jain**  
(Director)  
(DIN 00003514)

**Anuj Bhatia**

Partner

Membership No.122179

Place : Mumbai

Date : 2<sup>nd</sup> May, 2016

**Virendra Jain**  
(Director)  
(DIN 00077662)

**Note 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including Accounting Standards notified under relevant provision of the Companies Act 2013. The financial statements have been prepared as a going concern basis under the historical cost convention as adopted consistently by the Company.

**1.2 USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

**1.3 INVESTMENTS**

Current investments are carried at lower of cost and fair value, ascertained individually. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management. Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investment. All other investments are classified as long-term investments.

**1.4 REVENUE RECOGNITION**

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Dividend Income is recognised when right to receive the payment is established by the balance sheet date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Commission and job-work income are recognised on an accrual basis in accordance with the terms of relevant agreement.

**1.5 EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**JAICORP WELFARE FOUNDATION**  
**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2016.**

**Note 2 - Share Capital**

(Amount in Rs.)

Particulars	As At 31st March, 2016
(a) <b><u>AUTHORISED SHARES</u></b> 100,000 Equity Shares of Re. 10 each	1,000,000
	1,000,000
(b) <b><u>Paid-Up Shares</u></b> 50,000 Equity Shares of Re. 10 each	500,000
	500,000

**2.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:**

Particulars	2015-16	
	(In Nos.)	(Amount In Rs.)
Shares outstanding at the beginning of the year	-	-
Shares Issued during the year	50,000	500,000
Shares outstanding at the end of the year	50,000	500,000

**2.2 Details of shares in the Company held by each shareholder holding more than 5% shares:**

Name of Shareholder	As at 31st March, 2016	
	No of Shares held	% of Holding
<b>Equity Shares</b> (including Equity shares held jointly with nominees)		
Jai Corp Limited	50,000	100%

**JAICORP WELFARE FOUNDATION**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2016**

**Note 3 - Reserves & Surplus**

(Amount in Rs.)

Particulars	As at 31st March, 2016
<b>Surplus in Statement of Profit and Loss</b>	
Balance at the beginning of the year	-
Add : Net Loss for the year	<u>(14,490)</u>
Amount available for Appropriations	(14,490)
<b>TOTAL</b>	<u><u>(14,490)</u></u>

**Note 4 - Other Current Liabilities**

(Amount in Rs.)

Particulars	As at 31st March, 2016
Expenses Payable	14,375
	<u>14,375</u>

**Note 5 - Cash and Bank Balances**

(Amount in Rs.)

Particulars	As at 31st March, 2016
<b>Cash and Cash Equivalents</b>	
Balances with Banks in Current Accounts	499,886
<b>TOTAL</b>	<u><u>499,886</u></u>

**Note 6 - Other Income**

(Amount in Rs.)

Particulars	As at 31st March, 2016
Other Income	-
<b>TOTAL</b>	<u><u>-</u></u>

**Note 7 - Other Expenses**

(Amount in Rs.)

Particulars	As at 31st March, 2016
<b>Payment to Auditors</b>	
Audit Fees	14,375
<b>Administrative and General Expenses</b>	
Bank Charges	115
<b>TOTAL</b>	<u><u>14,490</u></u>

**JAICORP WELFARE FOUNDATION****NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2016****Note 8 - Earnings per Equity Share**

Particulars	As at 31st March, 2016
Net Profit for the year (Rs. in Lacs)	<b>(14,490)</b>
Weighted Average Number of equity shares outstanding during the year	<b>50,000</b>
Basic and Diluted Earnings Per Share (Rs.)	<b>(0.29)</b>
Face Value per Share (Re.)	<b>10</b>

**Note 9**

Since company has incorporated on 17th April, 2015 hence previous year figures are not available.

As per our report of even date

For and on behalf of the Board of Directors

**For Pathak H. D. and Associates**

Chartered Accountants

(Firm Registration No. 107783 W)

**Satyapal Jain**

(Director)

(DIN 00011774)

**Anand Jain**

(Director)

(DIN 00003514)

**Anuj Bhatia**

Partner

Membership No.122179

**Virendra Jain**

(Director)

(DIN 00077662)

Place : Mumbai

Date : 2<sup>nd</sup> May, 2016