

## AUDITOR'S REPORT

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To the members of  
Empire Promoters Private Limited

1. We have audited the attached Balance Sheet of Empire Promoters Private Limited as at March 31, 2012, the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditors Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004, [Order] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, does not apply to the Company in terms of section 1(2)(iv) of the said Order.
4. Further, we report that:
  - (a) We have 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 in so far as appears from our examination of those books.
  - (c) The Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.
  - (e) None of the directors of the Company would be disqualified under the provisions of section 274 (1) (g) of the Companies Act, 1956, from being appointed as a director of the Company, as the Company is a private company and the said section only provides for ineligibility from being appointed as a director of any other public company.



(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with accounting policies and notes to accounts thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the statement of affairs of the Company as at March 31, 2012;
- (ii) In the case of Statement of Profit and Loss, of the expenditure incurred by the Company for the year ended on that date; and
- (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

117, New Delhi House,  
27, Barakhamba Road,  
New Delhi- 110001.



B. Bhushan & Co.  
Chartered Accountants  
Firm Registration No. 001596N  
By the hand of

*Kamal Ahluwalia*

Kamal Ahluwalia  
Partner  
Membership No. 093812

May 11, 2012

**EMPIRE PROMOTERS PRIVATE LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2012**

	Notes	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' fund</b>			
a) Share capital	2	500,000	500,000
b) Reserves and surplus	3	542,559	542,559
		<u>1,042,559</u>	<u>1,042,559</u>
<b>Non current liabilities</b>			
a) Long term borrowings	4	68,208,000	67,958,000
<b>Current liabilities</b>			
a) Other current liabilities	5	211,736	217,831
<b>TOTAL</b>		<u><u>69,462,295</u></u>	<u><u>69,218,390</u></u>
<b>II. ASSETS</b>			
<b>Non current assets</b>			
a) Fixed assets			
i) Tangible assets	6	59,106,476	59,106,476
ii) Capital work in progress	7	10,062,272	9,769,664
b) Long term loans and advances	8	216,500	216,500
		<u>69,385,248</u>	<u>69,092,640</u>
<b>Current assets</b>			
a) Cash and cash equivalents	9	77,047	125,750
<b>TOTAL</b>		<u><u>69,462,295</u></u>	<u><u>69,218,390</u></u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

This is the Balance Sheet referred in our report of even date addressed to the members of Empire Promoters Private Limited.

The notes referred above form an integral part of the Balance Sheet.

B. Bhushan & Co.  
Chartered Accountants  
By the hand of

*Kamal Ahluwalia*  
Kamal Ahluwalia  
Partner

Membership no. 093812  
May 11, 2012  
New Delhi



Directors

*Pankaj Nakra*  
Pankaj Nakra

*Suraj Parkash Sethi*  
Suraj Parkash Sethi

**EMPIRE PROMOTERS PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

	Notes	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
<b>I INCOME</b>		-	-
<b>II EXPENSES</b>			
Other expenses	11	15,003	11,051
Expenses incurred during the year transferred to preoperative expenditures pending capitalisation		15,003	11,051
<b>Total expenses</b>		-	-
<b>III Profit before tax (I - II)</b>		-	-
<b>IV Tax expense</b>		-	-
<b>V Profit for the year from continuing operation (III - IV)</b>		-	-

**SIGNIFICANT ACCOUNTING POLICIES**

1

This is the Statement of Profit and Loss referred in our report of even date addressed to the members of Empire Promoters Private Limited.

The notes referred above form an integral part of the Statement of Profit and Loss.

B. Bhushan & Co.  
Chartered Accountants  
By the hand of

*Kamal Ahluwalia*  
Kamal Ahluwalia  
Partner

Membership no. 093812  
May 11, 2012  
New Delhi



Directors

*Pankaj Nakre*  
Pankaj Nakre

*Suraj Parkash Sethi*  
Suraj Parkash Sethi

**1 SIGNIFICANT ACCOUNTING POLICIES**

**a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with the Indian Generally Accepted Accounting Principles ("Indian GAAP"). The Company has prepared these financial statements to comply in all material aspects with the accounting standard notified under the Companies (Accounting Standard) Rules, 2006 as amended and the relevant provision of the Companies Act, 1956. The financial statement have been prepared under the historical cost convention and on accrual basis.

The accounting policies adopted in the preparation and presentation of financial statements are consistent with those of previous year. The management evaluates all recently issued or revised accounting standards on a ongoing basis.

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statement. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified previous year figures in accordance with the requirements applicable in the current year.

**b) RECOGNITION OF REVENUE AND EXPENDITURE**

Income and expenditure are accounted for on accrual basis.

**c) TANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS**

Tangible assets are stated at cost including incidental expenses, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost incurred in bringing the asset to its working condition for its intended use.

Capital work-in-progress comprises construction work-in-progress, direct expenditure and the cost of tangible assets that are not yet ready for their intended use at the balance sheet date.

**d) IMPAIRMENT OF ASSETS**

Consideration is given at each Balance Sheet to determine whether there is any indication of impairment of the carrying amount of the Company's tangible assets. If any indication exists, the recoverable value of assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount, the latter being greater of net selling price and value in use.

**e) CASH FLOW STATEMENT**

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.



**EMPIRE PROMOTERS PRIVATE LIMITED****Notes to financial statement for the year ended March 31, 2012****f) EARNINGS PER SHARE**

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
<b>2 SHARE CAPITAL</b>		
<b>Authorized</b>		
5,000 (5,000) equity shares of Rs. 100 (Rs. 100) each	500,000	500,000
<b>Issued, subscribed, and fully paid up</b>		
5,000 (5,000) equity shares of Rs. 100 (Rs. 100) each fully paid up	500,000	500,000

**a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:**

	As at March 31, 2012		As at March 31, 2011	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Number of shares outstanding at the beginning of the year	5,000	500,000	5,000	500,000
Number of shares outstanding at the end of the year	5,000	500,000	5,000	500,000

**b) Terms/rights attached to equity shares**

The Company has only one class of equity share having a par value of Rs. 100 per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 each shareholders.

**c) Shares held by holding Company, Anant Raj Industries Ltd.**

\*5,000 (5,000) equity shares of Rs. 100 (Rs. 100) each fully paid up

	500,000	500,000
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\*Includes 6 (6) equity shares held by nominees of the holding company, Anant Raj Industries Ltd.

**d) Details of shareholders holding more than 5% shares in the Company**

	As at March 31, 2012		As at March 31, 2011	
	Number	% holding	Number	% holding
Equity Shares of Rs. 100 (Rs. 100) each fully paid up				
Anant Raj Industries Limited	5,000	100%	5,000	100%



**EMPIRE PROMOTERS PRIVATE LIMITED**

**Notes to financial statement for the year ended March 31, 2012**

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
<b>3 RESERVES AND SURPLUS</b>		
a) Profit and Loss Account		
Opening balance	542,559	542,559
Addition during the year		
	542,559	542,559
<b>4 LONG TERM BORROWINGS (Unsecured)</b>		
a) Loan from related party	68,208,000	67,958,000
<p>Loan from related party represents non interest bearing unsecured loan obtained from holding company utilised for meeting developmental costs of a real estate project currently under development, which loan is repayable on divestment of the said project. There is no repayment of principal or payment of interest due by the Company as at the year end.</p>		
<b>5 OTHER CURRENT LIABILITIES</b>		
a) Other payables		
Expenses payable	8,427	7,218
Security deposit received	200,000	200,000
Statutory dues payable	3,309	10,613
	211,736	217,831
<b>6 TANGIBLE ASSETS</b>		
a) Land		
Opening balance	59,106,476	59,106,476
Additions during the year		
	59,106,476	59,106,476
<b>7 CAPITAL WORK IN PROGRESS</b>		
a) Preoperative expenditure pending capitalisation		
Opening balance	49,192	38,141
Additions during the year	15,003	11,051
	64,195	49,192
b) Building under construction		
Opening balance	9,720,472	-
Additions during the year	277,605	9,720,472
	9,998,077	9,720,472
	(a+b)	9,769,664
<b>8 LONG TERM LOANS AND ADVANCES (Unsecured, considered good)</b>		
a) Capital advance	200,000	200,000
b) Security deposit	16,500	16,500
	216,500	216,500



**EMPIRE PROMOTERS PRIVATE LIMITED**
**Notes to financial statement for the year ended March 31, 2012**

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
<b>9 CASH AND CASH EQUIVALENTS</b>		
a) Balance with bank		
- In current account	77,045	125,748
b) Cash on hand	2	2
	<u>77,047</u>	<u>125,750</u>
	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
<b>10 OTHER EXPENSES</b>		
a) Payment to auditors as audit fees	8,427	6,618
b) Filing fee	3,300	2,196
c) Legal and professional	3,276	2,103
d) Miscellaneous expenses	-	41
e) Bank charges	-	93
	<u>15,003</u>	<u>11,051</u>

**11** The Company had acquired land for the development of a motel in Delhi. Expenses incurred by the Company during the year considered to enhance the value of the development project, have been transferred to 'Preoperative Expenditure Pending Capitalization' to constitute cost of respective project and the same shall be apportioned over fixed assets to be created on completion of development in progress.

**12** The Company does not have any operating profit during the year and therefore, earning per share has not been calculated.

**13 Related Party Disclosures**

Pursuant to Accounting Standard (AS18) - "Related Party Disclosure" issued by Institute of Chartered Accountants of India following parties are to be treated as related parties along with their relationships:

**a) Name of related parties and description of relationships :**
**Holding Company**

Anant Raj Industries Limited

**Fellow Subsidiaries**

Aakashganga Realty Pvt. Ltd.

Aarkarshak Realators Pvt. Ltd.

Advance Buildcon Pvt. Ltd.

Anant Raj Cons. & Development Pvt. Ltd.

Anant Raj Hotels Ltd.

Anant Raj Housing Ltd.

Anant Raj Projects Ltd.

Ankur Buildcon Pvt. Ltd.

A-Pfus Estates Pvt. Ltd.

BBB Realty Pvt. Ltd.

Blossom Buildtech Pvt. Ltd.

Bolt Properties Pvt. Ltd.

Capital Buildcon Pvt. Ltd.

Capital Buildtech Pvt. Ltd.

Jasmine Buildwell Pvt. Ltd.

Jubilant Software Services Pvt. Ltd.

Kalinga Buildtech Pvt. Ltd.

Kalinga Realtors Pvt. Ltd.

Krishna Buildtech Pvt. Ltd.

Lucky Meadows Pvt. Ltd.

Monarch Buildtech Pvt. Ltd.

North South Properties Pvt. Ltd.

Novel Buildmart Pvt. Ltd.

Novel Housing Pvt. Ltd.

One Star Realty Pvt. Ltd.

Oriental Meadows Ltd.

Oriental Promoters Pvt. Ltd.

Papillon Buildcon Pvt. Ltd.





**EMPIRE PROMOTERS PRIVATE LIMITED****Notes to financial statement for the year ended March 31, 2012**

Carnation Buildtech Pvt. Ltd.  
 CCC Realty Pvt. Ltd.  
 Century Promoters Pvt. Ltd.  
 Echo Buildtech Pvt. Ltd.  
 Echo Properties Pvt. Ltd.  
 Elegant Buildcon Pvt. Ltd.  
 Elegant Estates Pvt. Ltd.  
 Elevator Buildtech Pvt. Ltd.  
 Elevator Promoters Pvt. Ltd.  
 Elevator Properties Pvt. Ltd.  
 Excellent Inframart Pvt. Ltd.  
 Fabulous Builders Pvt. Ltd.  
 Four Construction Pvt. Ltd.  
 Gadget Builders Pvt. Ltd.  
 Gagan Buildtech Pvt. Ltd.  
 Glaze Properties Pvt. Ltd.  
 Good Luck Buildtech Pvt. Ltd.  
 Grand Buildtech Pvt. Ltd.  
 Grand Park Buildtech Pvt. Ltd.  
 Grand Park Estates Pvt. Ltd.  
 Greatway Estates Ltd.  
 Greatways Buildtech Pvt. Ltd.  
 Green Line Buildcon Pvt. Ltd.  
 Green Line Promoters Pvt. Ltd.  
 Green Retreat and Motels Pvt. Ltd.  
 Green View Buildwell Pvt. Ltd.  
 Green Way Promoters Pvt. Ltd.  
 Green Wood Properties Pvt. Ltd.  
 Gujarat Anant Raj Vidhyanagar Ltd.  
 Hamara Realty Pvt. Ltd.  
 Hemkunt Promoters Pvt. Ltd.  
 High Land Meadows Pvt. Ltd.

Papillon Buildtech Pvt. Ltd.  
 Park Land Const. & Equipment Pvt. Ltd.  
 Parkland Developers Pvt. Ltd.  
 Parkview Promoters Pvt. Ltd.  
 Pasupati Aluminium Ltd.  
 Pelikan Estates Pvt. Ltd.  
 Pioneer Promoters Pvt. Ltd.  
 Rapid Realtors Pvt. Ltd.  
 Red Sea Realty Pvt. Ltd.  
 Rising Realty Pvt. Ltd.  
 Rolling Construction Pvt. Ltd.  
 Romano Estate Pvt. Ltd.  
 Romano Infrastructure Pvt. Ltd.  
 Romano Projects Pvt. Ltd.  
 Romano Tiles Pvt. Ltd.  
 Rose Realty Pvt. Ltd.  
 Roseview Buildtech Pvt. Ltd.  
 Roseview Properties Pvt. Ltd.  
 Saffron View Properties Pvt. Ltd.  
 Sand Storm Buildtech Pvt. Ltd.  
 Sartaj Developers & Promoters Pvt. Ltd.  
 Sovereign Buildwell Pvt. Ltd.  
 Spring View Developers Pvt. Ltd.  
 Spring view Properties Pvt. Ltd.  
 Suburban Farms Pvt. Ltd.  
 Three Star Realty Pvt. Ltd.  
 Townsend Cons. & Equipments Pvt. Ltd.  
 Tumhareliye Realty Pvt. Ltd.  
 Twenty First Developers Pvt. Ltd.  
 Vibrant Buildmart Pvt. Ltd.  
 West Land Buildcon Pvt. Ltd.  
 Woodland Promoters Pvt. Ltd.

**Partnership firm in which holding company is partner**

Ganga Bishan &amp; Company

**Key management Personnel**

Pankaj Nakra  
 Monica Sarin  
 Suraj Parkash Sathi

Chairman & Director  
 Director  
 Director

**Note:** The related party relationship is as identified by the management.

**b) The Company has following transactions with the following related parties:**

Sl. No.	Nature of Transactions	Related Party	For the year ended March 31, 2012	For the year ended March 31, 2011
			Rs.	Rs.
1	Long term borrowings received from holding company	Anant Raj Industries Ltd.	250,000	900,000
2	Long term borrowings repaid to holding company	Anant Raj Industries Ltd.		75,000



**EMPIRE PROMOTERS PRIVATE LIMITED****Notes to financial statement for the year ended March 31, 2012**

## c) Amount outstanding as at March 31, 2012:

Sl. No.	Account Head	Related Party	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
1	Share Capital held by holding company	Anant Raj Industries Ltd.	500,000	500,000
2	Long term borrowings payable to holding company	Anant Raj Industries Ltd.	68,208,000	67,958,000

**14 Details of building under construcion as at March 31, 2012:**

Particulars	2011-12 Rs.	2010-11 Rs.
a) Construction and development expenses	9,998,077	9,720,472
	<u>9,998,077</u>	<u>9,720,472</u>

15 In the opinion of the management, the current assets, if realized in the ordinary course of business, would realize a sum at least equal to that stated in the Balance Sheet.

16 Figures and words in brackets relate to the previous year unless otherwise indicated.

17 Previous year figures have been regrouped/recast, wherever necessary, to confirm to this year's presentation.

Signatures to the above notes which form an integral part of the Balance Sheet and Statement of Profit and Loss.

Directors

Pankaj Nakra

Suraj Parkash Sethi

May 11, 2012  
New Delhi



**EMPIRE PROMOTERS PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

		For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
<b>A. CASH FLOW FROM OPERATIONS</b>			
Profit/(Loss) before tax from continuing operation		-	-
<b>Adjustment for working capital changes:</b>			
- Increase/(Decrease) in other current liabilities		(6,095.00)	(214,985)
- Decrease/(Increase) in other current assets		-	(16,500)
<b>Net cash from operating activities</b>	<b>(A)</b>	<b>(6,095)</b>	<b>(231,485)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Addition to capital work in progress		(292,608)	(704,880)
<b>Net cash from investing activities</b>	<b>(B)</b>	<b>(292,608)</b>	<b>(704,880)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in long term borrowings		250,000	825,000
<b>Net cash from financing activities</b>	<b>(C)</b>	<b>250,000</b>	<b>825,000</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C)</b>	<b>(48,703)</b>	<b>(111,365)</b>
Cash and cash equivalents - Opening balance		125,750	237,115
Cash and cash equivalents - Closing balance		77,047	125,750

**Note: Figures in brackets indicate cash outflow**

This is the Cash Flow Statement referred to in our report of even date attached.

B. Bhushan & Co.  
Chartered Accountants  
By the hand of

*Kamal Ahluwalia*  
Kamal Ahluwalia  
Partner  
Membership no. 093812  
May 11, 2012  
New Delhi



Directors

*Pankaj Nakra*  
Pankaj Nakra

*Soraj Parkash Sethi*  
Soraj Parkash Sethi