

A.K. Jindal & Associates
Chartered Accountants

201, SUCHET CHEMBER, 1224/5, BANK STREET, KAROL BAGH, NEW DELHI - 110005, TEL 28750239

AUDITOR'S REPORT

To

The Members of **Hemkunt Promoters Private Limited**

We have audited the attached Balance Sheet of **Hemkunt Promoters Private Limited** as at March 31, 2012 and also the statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material mis-statement. 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 the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose 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 the 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 Balance Sheet and the 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 Companies Act, 1956.
- (e) On the basis of representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

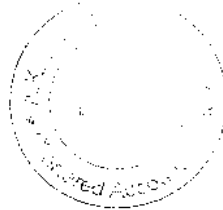


(f). In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity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

- I] In the case of the Balance Sheet, of the state of affairs of the Company as at 31st march 2012; and
- II] In case of the statement of Profit and Loss, of the Profit earned by the Company for the year ended on that date.
- III] In case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Place: Delhi
Dated: 07.05.2012

For A. K. Jindal & Associates
Chartered Accountants
Firm Registration No. 006659N
By the hand of




(Ashok Gupta)

Partner

Membership No. 085175

HEMKUNT PROMOTERS PRIVATE LIMITED
H-65, Connaught Circus, New Delhi
Balance Sheet As At March 31, 2012

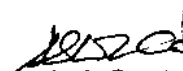
Particulars	Note No.	As at March 31st March 2012	As at March 31st March 2011
I EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share capital	1	500,000.00	500,000.00
(b) Reserves and surplus	2	387,698.50	374,117.02
(2) Share application money pending allotment			
(3) Non-current liabilities			
(a) Long term borrowings	3	593,960.00	-
(4) Current Liabilities			
(a) Other Current liabilities	4	5,000.00	3,205,000.00
(b) Short term provisions	5	7,255.00	56,569.00
TOTAL		1,493,913.50	4,135,686.02
II ASSETS			
(1) Non-Current assets			
(a) Fixed Asses			
(i) Tangible assets	6	683,421.50	683,421.50
(ii) Capital Work-in-Progress	7	627,027.00	33,067.00
(2) Current Assets			
(a) Cash and cash equivalents	8	179,594.00	3,379,397.00
(b) Other Current Assets	9	3,871.00	39,800.52
TOTAL		1,493,913.50	4,135,686.02
Significant accounting Policies and Notes on Accounts	12		

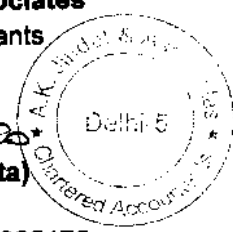
As per our Report of even date attached

For and on behalf of the Board of Directors

For A.K. Jindal & Associates
Chartered Accountants

Place: Delhi
Dated: 07.05.2012


(Ashok Gupta)
Partner
Membership No. 085175



DIRECTORS


(Saloni Sarin)


(Suraj Parkash Sethi)

HEMKUNT PROMOTERS PRIVATE LIMITED
H-65, Connaught Circus, New Delhi
Profit And Loss Account For the Year Ended March 31, 2012

Particulars	Note No.	For the year Ended 31.3.2012	For the year Ended 31.3.2011
I Revenue from operations		-	-
II Other Income	10	32,351.48	191,644.52
III Total Revenue (I+II)		<u>32,351.48</u>	<u>191,644.52</u>
IV Expenses :			
Other Expenses	11	8,876.00	8,579.00
Total Expenses		<u>8,876.00</u>	<u>8,579.00</u>
V. Profit before exceptional and extraordinary item and tax (III-IV)		23,475.48	183,065.52
VI. Exceptional Items			
Prior Period Expenses		2,639.00	3,095.00
VII Profit before exceptional and tax (V-VI)		20,836.48	179,970.52
VIII Extraordinary Items			
IX Profit before tax (VII-VIII)		20,836.48	179,970.52
X Tax expense			
Current tax expenses for Current year		7,255.00	56,569.00
XI Profit /(Loss) for the period from Continuing operations(IX-X)		13,581.48	123,401.52
XII Profit /(Loss) from discontinuing operations			
XIII Tax Expenses of discontinuing operations			
XIV Profit /(Loss) from discontinuing operations (after tax XII-XIII)			
XV Profit/(Loss) for the period (XII-XIV)		13,581.48	123,401.52
XVI Earning per equity share:			
(1) Basic		0.27	2.47
(2) Diluted		0.27	2.47

Significant accounting Policies and Notes on Accounts 12
As per our Report of even date attached

For and on behalf of the Board of Directors

For A.K. Jindal & Associates
Chartered Accountants

DIRECTORS

Place: Delhi
Dated: 07.05.2012


(Ashok Gupta)

Partner

Membership No. 085175




(Saloni Sarin)


(Suraj Parkash Sethi)

NOTE NO.

	31.03.2012		31.03.2011	
	Rupees		Rupees	
1 SHARE CAPITAL				
a) Authorised 50000 (50000) Equity Shares of Rs. 10 (Rs. 10) each		<u>500,000.00</u>		<u>500,000.00</u>
b) Issued,Subscribed & paid up 50000 (50000) Equity Shares of Rs.10/- each fully paid-up		<u>500,000.00</u>		<u>500,000.00</u>
c) Reconciliation of equity share capital	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
Number of shares outstanding at the beginning of the year	50000	500000	50000	500000
Number of shares outstanding at the end of the year	<u>50000</u>	<u>500000</u>	<u>50000</u>	<u>500000</u>
d) Shares held by holding Company, Anant Raj Industries Ltd. i) 50000 (50000) Equity Shares		500000		500000
e) Shares in the company held by each share holder holding more than 5% shares Name of Shareholders 1) Anant Raj Industries Ltd. a) Number of equity shares held % of shareholding		50000 100%		50000 100%
2 RESERVES & SURPLUS				
Profit & Loss Account				
Opening Balance		374,117.02		250,715.50
Add: Profit during the year		<u>13,581.48</u>		<u>123,401.52</u>
Closing Balance		<u>387,698.50</u>		<u>374,117.02</u>
3 LONG TERM BORROWINGS				
Unsecured Loan From Holding Company Long Term Borrowings 1) Loans & advances from Related Parties Unsecured From Holding Company - The Above loan is not granted by Directors/Others - Term of Repayment Interest Free - Long Term Loan - As on Balance Sheet Date there is no default in payment of loans & interest .		<u>593,960.00</u>		<u>-</u>
4 OTHER CURRENT LIABILITIES				
Other Payable		-		3,200,000.00
Expenses payable		<u>5,000.00</u>		<u>5,000.00</u>
		<u>5,000.00</u>		<u>3,205,000.00</u>
5 SHORT TERM PROVISIONS				
Provision for Income Tax AY 2011-2012		-		56,569.00
Provision for Income Tax AY 2012-2013		<u>7,255.00</u>		<u>-</u>
		<u>7,255.00</u>		<u>56,569.00</u>



6 FIXED ASSETS**Tangible Assets**

Land(Freehold)	683,421.50	683,421.50
	<u>683,421.50</u>	<u>683,421.50</u>

7 CAPITAL WORK -IN-PROGRESS

Opening Balance	33,067.00	33,067.00
Addition during the year	593,960.00	-
	<u>627,027.00</u>	<u>33,067.00</u>

8 CASH AND CASH EQUIVALENTS

Cash in Hand	1,140.00	1,140.00
Bank balance in current account with State Bank of India	178,454.00	66,750.00
with State Bank of India(FDR)	-	3,311,507.00
	<u>179,594.00</u>	<u>3,379,397.00</u>

9 OTHER CURRENT ASSETS

Accured interest on FDR		20,632.52
Advance Tax (TDS)	3,871.00	19,168.00
	<u>3,871.00</u>	<u>39,800.52</u>

10 OTHER INCOME

Interest on FDR	32,351.48	191,644.52
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11 OTHER EXPENSES

Filing Charges	600.00	1,200.00
Legal & Professional	3,276.00	2,379.00
Auditor's Remuneration		
Audit Fee	5,000.00	5,000.00
	<u>8,876.00</u>	<u>8,579.00</u>

12 Notes to Accounts

Accounting Policies and Notes on accounts

(A) Significant Accounting Policies**1 Conventions**

The Accounts have been prepared Primarily under the historical Cost Convention and on the accrual basis of accounting

2 Tabgible Assets

Tangible assets are stated at cost including duties, taxes and all other incidental expenses to bring the assets to its intended purposes .

(B) Notes Forming part of accounts:

1 In the opinion of the Board of Directors all assets other than tangible assets and non current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated .

2 The company is a wholly owned subsidiary of Anant Raj Industries Ltd. since all shares are held by Anant Raj Industries Ltd. and its nominees.



3 Related Party Disclosures

i. Name of related parties and description of relationship:

1. Holding Company Anant Raj Industries Ltd.

ii. Transactions with related parties

Loan Received 593960 (P.Y. 30000)
Loan Repaid nil (P.Y. 30000)

iii Closing Balances with related parties: Rs. 593960/-

4 Segment Reporting

The company has no reportable Business or Geographical segment

5 Earning per Shares

Particulars		2011-2012	2010-2011
Profit attributable in the Shareholders	(A)	13581.48	123401.52
Basic/Weighted average number of Equity Shares outstanding during the year	(B)	50000	50000
Nominal Value of Equity Shares		10	10
Basic /Diluted Earnings per Shares	(A/B)	0.27	2.47

6 Previous year figures have been regrouped wherever found necessary .

7 Signature to the above Schedules which form an integral Part of the Balance Sheet and Profit & Loss Account.

Place : Delhi
Dated: 07.05.2012

DIRECTORS

Saloni Saini
(Saloni Saini)

Sural Parkash Sethi
(Sural Parkash Sethi)



HEMKUNT PROMOTERS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	For the year ended March 31, 2012 Rs.	For the year ended March 31, 2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	23,475	183,065
Adjustment for:		
Depreciation	-	-
Interest paid	(32,351)	(191,645)
Interest received	(8,876)	(8,580)
Operating profit before working capital changes		
Adjustment for:		
Inventories	(3,200,000)	
Decrease in current liabilities		
Trade and other receivables		
Cash generated from operations	(3,208,876)	(8,580)
Taxes Paid including TDS	43,911	48,342
NET CASH FROM OPERATING ACTIVITIES	(A) (3,252,787)	(56,922)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Capital work in progress	(593,960)	-
Interest received	32,351	191,645
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(B) (561,609)	191,645
C. CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Proceeds from Share Premium on issue of share	-	-
Increase in long term borrowings	593,960	-
Interest paid	-	-
	(C) 593,960	-
D. NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) (3,220,436)	134,723
Cash and cash equivalents opening balance	3,400,030	3,265,307
Cash and cash equivalents closing balance	179,594	3,400,030

Note: Figures in brackets indicate cash outflow.

This is the cash flow statement referred to in our report of even date

For A K Jindal & Associates
Chartered Accountants


Ashok Gupta
Partner



Place New Delhi.
Date : 07.05.2012


Director


Director