

INDEPENDENT AUDITOR'S REPORT

To the Members of Anant Raj Cons. & Development Private Limited

1) Report on the Financial Statements

We have audited the accompanying financial statements of Anant Raj Cons. & Development Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and 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.

2) Management's Responsibility for the Financial Statements.

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

3) Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

4) Unqualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit earned by the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



5) Report on Other Legal and Regulatory Requirements

- a) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- b) As required by section 227(3) of the Act, we report that:
- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) 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.;
 - iii) 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;
 - iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - v) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FF-3 Stutee Building,
Karol Bagh,
Delhi- 110005

Delhi

May 24, 2014

Deora & Associates

Chartered Accountants

Firm Registration No. 022619N

By the hand of

Arun Deora

Arun Deora

Partner

Membership No. 087729



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in paragraph 5(a) of the Independent Auditor's report of even date to the members of Anant Raj Cons. & Development Private Limited on the financial statements for the year ended March 31, 2014)

- I.
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification compared to book records.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year, and the going concern status of the Company is not affected
- II.
 - (a) The inventory has been physically verified by the management at regular intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventory and no discrepancy was noticed on physical verification as compared with book records.
- III.

The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(iii)(a) to 4(iii)(d) of the Order are not applicable to the Company.

 - (e) The Company has taken short term unsecured loan from its holding company, listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 63,00,000 and the year ended balance of the said loan was Nil.
 - (f) In our opinion and according to the information and explanations given to us, the above loan is interest free, and other terms and conditions of such loans, as per mutually agreed stipulations, are not prima facie prejudicial to the interests of the Company.
 - (g) In our opinion and according to the information and explanation given to us, the Company has repaid the entire short term loans during the year. There is no amount outstanding in respect of principal and interest by the Company as at the year end.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control systems.



- V. (a) Based on the audit procedures applied by us, and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301, have been so entered.
- (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable, having regard to the prevailing market prices at the relevant time.
- VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- VII. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- VIII. We have reviewed the books of account maintained by the Company pursuant to the Order of the Central Government for maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 in respect of activity comprising of constructing, reconstructing of building or structures and are of the opinion that *prima facie* the prescribed accounts and records have been maintained.
- IX. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service tax, customs duty, cess and other statutory dues applicable to it, and no undisputed amounts payable were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited by the Company with appropriate authorities on account of dispute.
- X. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- XI. In our opinion and according to information and explanation given to us, the Company has not obtained any loans from any financial institution or bank, and accordingly, the provisions of clause 4(xi) are not applicable to the Company.
- XII. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The Company is not a chit fund or a nidhi mutual benefit fund/society.
- XIV. The Company is not dealing or trading in shares, securities or debentures.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The Company has not obtained any term loans.
- XVII. According to the information and explanations given to us, the Company has not raised any funds on short term basis.



- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised any money by way of public issue during the year.
- XXI. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

FF-3 Stutee Building,

Karol Bagh,

Delhi- 110005


Deora & Associates

Chartered Accountants

Firm Registration No. 022619N

By the hand of

Arun Deora
Arun Deora
Partner



Delhi

May 24, 2014

Membership No. 087729

BALANCE SHEET AS AT MARCH 31, 2014

	Notes	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' fund			
a) Share capital	2	50,000,000	50,000,000
b) Reserves and surplus	3	34,657,660	32,686,577
		<u>84,657,660</u>	<u>82,686,577</u>
Non current liabilities			
a) Long term provisions	4	1,107,524	1,112,473
Current liabilities			
a) Trade payables	5	41,462,552	57,025,789
b) Other current liabilities	6	74,464,074	54,920,170
c) Short term provisions	7	530,868	497,951
		<u>116,457,494</u>	<u>112,443,910</u>
		<u>202,222,678</u>	<u>196,242,960</u>
II. ASSETS			
Non current assets			
a) Fixed assets			
i) Tangible assets	8	4,823,846	5,807,113
b) Deferred tax assets (net)	9	178,505	58,692
c) Long term loans and advances	10	105,616,097	74,964,323
d) Other non current assets	11	1,448,887	1,405,100
		<u>112,067,334</u>	<u>82,235,227</u>
Current assets			
a) Inventories	12	3,488,627	30,177,055
b) Trade receivables	13	38,979,216	50,893,763
c) Cash and bank balances	14	1,079,103	1,649,860
d) Short term loan and advances	15	46,391,727	31,121,851
e) Other current assets	16	216,671	165,204
		<u>90,155,344</u>	<u>114,007,733</u>
		<u>202,222,678</u>	<u>196,242,960</u>
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The accompanying notes are an integral part of the financial statements.

As per our report of even date.

Deora & Associates

Chartered Accountants

By the hand of

Arun Deora

Partner

Membership no. 087729

May 24, 2014

New Delhi



Ashim Sarin

Ashim Sarin
(Managing Director)

DIN: 00291515

28, Sri Ram Road,

Civil Lines, Delhi-54

Maneesh Gupta

Maneesh Gupta
(Director)

DIN: 00129254

18/15, IInd Floor,

Shakti Nagar, Delhi-07

Amita

Amita Gupta
(Company Secretary)

ACS 21602

24-B, Janyug Apartments,

Sector-14(Extn.)
Rohini, Delhi-85

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Notes	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
I INCOME			
Revenue from operations	17	156,632,085	314,995,460
Other income	18	736,051	1,923,355
Total Income		157,368,136	316,918,815
II EXPENSES			
Cost of material consumed	19	140,200,876	296,295,163
Employee benefits expense	20	10,231,476	12,479,502
Depreciation		940,419	1,154,775
Other expenses	21	3,145,989	1,863,059
Total Expenses		154,518,760	311,792,499
III Profit before exceptional items, prior period adjustments and tax (I - II)		2,849,376	5,126,316
IV Exceptional Items	22	-	(215,713)
Prior period adjustments	23	2,517	(191,718)
		2,517	(407,431)
V Profit before tax (III - IV)		2,846,859	5,533,747
VI Tax expense			
1) Current tax		995,589	1,698,920
2) Deferred tax		(119,813)	(33,757)
3) Income tax of earlier year		-	63,318
		875,776	1,728,481
VII Profit for the year from continuing operations (VI - VI)		1,971,083	3,805,266
VIII Earnings per share [equity share, par value of Rs. 10 (Rs. 10) each]			
1) Basic		0.39	
2) Diluted		0.39	

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES TO THE FINANCIAL STATEMENTS

2-35

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

Deora & Associates

Chartered Accountants

By the hand of

Arun Deora
Arun Deora
Partner
Membership no. 087729
May 24, 2014
New Delhi



(Signature)
Ashim Sarin

(Managing Director)
DIN: 00291515
28, Sri Ram Road,
Civil Lines, Delhi-54

(Signature)
Maneesh Gupta

Maneesh Gupta
(Director)
DIN: 00129254
18/15, IInd Floor,
Shakti Nagar, Delhi-07

(Signature)
Amita

Amita Gupta
(Company Secretary)
ACS 21602
24-B, Janyug Apartments,
Sector-14(Extn.)
Rohini, Delhi-85

1 SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules 2006 notified under section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable.

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 an ongoing basis.

b) USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Although these estimates are based on the managements' best knowledge of current events and actions the company may undertake in future, the actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) TANGIBLE ASSETS

Tangible assets, are stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost related to the acquisition and installation of the respective asset to bring the asset to its working condition for its intended use.

An item of tangible assets is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is de-recognized.

d) DEPRECIATION

Depreciation on tangible assets is charged on the written down value method at rates as specified in Schedule XIV of the Companies Act, 1956. Depreciation on the acquisition/purchase of assets during the year has been provided on pro-rata basis according to the period each asset was put to use during the year.

In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Assets costing less than Rs. 5,000 are depreciated at the rate of 100%.



e) IMPAIRMENT OF ASSETS

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any required or
- (b) The reversal, if any, required of impairment loss recognized in previous years.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, the later being greater of net selling price and value in use.

f) INVENTORIES

Raw material is valued at Cost or Net realisable value whichever is less. Cost is calculated using "First in First Out" method. Work in Progress is valued at direct cost incurred including estimated amount of allocable expenditure.

g) REVENUE RECOGNITION

- (i) Revenue from Construction activity is recognized as per 'Cost Plus Contract Method', whereby revenue is determined by adding the aggregate cost plus a proportionate margin as agreed with the customer. The related costs thereto are charged to the Income statement for the year.
- (ii) Interest Income is recognized on time proportion basis, taking into account the amount outstanding and the applicable rate of interest.

h) EMPLOYEE BENEFITS

In accordance with the requirements of revised Accounting Standard-15 "Employee Benefits", the Company provides for gratuity covering eligible employees on the basis of actuarial valuation as carried out by an independent actuary using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans is based on the market yields on Government securities as at the Balance Sheet date.

The liability is un-funded. Actuarial gains and losses arising from changes in the actuarial assumptions are charged or credited to the Profit and Loss account in the year in which such gains or losses arise.

Leave encashment benefits payable to employees of the Company with respect to accumulated leave outstanding at the year end are accounted for on the basis of an actuarial valuation as at the Balance Sheet date.

Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employees state insurance are defined contribution plans. The contributions are recognized as an expense in the Profit and Loss Account during the year in which the employee renders the related service. The Company does not have any further obligation in this respect, beyond such contribution.

Other employee benefits are accounted for on accrual basis.

i) CASH FLOW STATEMENT

Cash flows are reported using the 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.



j) EARNINGS PER SHARE

In determining earnings per share, the Company considers the net profit after tax for the year attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds available, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.

k) TAXES ON INCOME

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Provision for current income tax is made for the tax liability payable on taxable income ascertained in accordance with the applicable and prevailing tax rates and laws.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the financial statements, carrying amounts of existing assets and liabilities and their respective tax bases and carry forwards of operating loss. Deferred tax assets and liabilities are measured on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Changes in deferred tax assets and liabilities between one Balance Sheet date and the next, are recognized in the Profit and Loss Account in the year of change. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Profit and Loss Account in the year of change.

Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future, whereas in case of existence of unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization backed by convincing evidence. Deferred tax assets are reviewed at each Balance Sheet date.

l) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Re-imbursment expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the re-imbursment will be received. Contingent liabilities are disclosed in the notes in case of a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

m) CASH AND CASH EQUIVALENTS

In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.



	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
2 SHARE CAPITAL		
Authorized		
5,000,000 (5,000,000) equity shares of Rs. 10 (Rs. 10) each	50,000,000	50,000,000
Issued, subscribed and fully paid up		
5,000,000 (5,000,000) equity shares of Rs. 10(Rs. 10) each	50,000,000	50,000,000

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

	As at March 31, 2014		As at March 31, 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Number of shares outstanding at the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
Number of shares outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000

b) Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10 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 Limited.

*5,000,000 (*5,000,000) equity shares of Rs. 10 (Rs. 10) each fully paid up	50,000,000	50,000,000
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*Includes 6 (6) equity shares held by nominees of the holding company, Anant Raj Limited.

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

	As at March 31, 2014		As at March 31, 2013	
	% holding	Number	% holding	Number
Equity shares of Rs. 10 (Rs. 10) each fully paid up				
- Anant Raj Limited	100%	5,000,000	100%	5,000,000



	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
3 RESERVES AND SURPLUS		
a) Surplus as per Statement of Profit and Loss		
Opening balance	32,686,577	28,881,311
Addition during the year	1,971,083	3,805,266
	<u>34,657,660</u>	<u>32,686,577</u>
4 LONG TERM PROVISIONS		
a) Provision for employee benefits		
i) Gratuity (Unfunded)	849,887	789,875
ii) Leave encashment (Unfunded)	257,637	322,598
	<u>1,107,524</u>	<u>1,112,473</u>
5 TRADE PAYABLES		
a) Others	41,462,552	57,025,789
	<u>41,462,552</u>	<u>57,025,789</u>

There are no micro and small scale enterprises to which the Company owes dues as at March 31, 2014. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

6 OTHER CURRENT LIABILITIES		
a) Advance from customer	45,301,784	11,990,790
b) Security deposits retained against contract work	24,036,882	34,514,919
c) Book overdraft	2,788,518	4,751,203
d) Other payables:		
Statutory dues payable	1,515,513	1,859,488
Employee salary and other benefits payable	787,677	1,736,446
Expenses payable	33,700	67,324
	<u>74,464,074</u>	<u>54,920,170</u>
7 SHORT TERM PROVISIONS		
a) Provision for employee benefits:		
Gratuity (Unfunded)	373,148	306,593
Leave encashment (Unfunded)	157,720	191,358
	<u>530,868</u>	<u>497,951</u>

	As at April 1, 2013 Rs.	(Charged)/credited to Statement of Profit and Loss Rs.	As at March 31, 2014 Rs.
9 DEFERRED TAX LIABILITIES (NET)			
i) Deferred tax assets			
Gratuity	355,749	41,065	396,814
Leave encashment	166,753	(31,990)	134,763
	<u>522,502</u>	<u>9,075</u>	<u>531,577</u>
ii) Deferred tax liability			
Fixed assets	463,810	(110,738)	353,072
	<u>463,810</u>	<u>(110,738)</u>	<u>353,072</u>
Net deferred tax assets/(liabilities); (i)-(ii)	<u>58,692</u>	<u>119,813</u>	<u>178,505</u>

- i) In accordance with the provisions of the Accounting Standard-22 on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, the Company has recognised deferred tax assets of Rs. 531,577 (Rs. 522,502) and deferred tax liability of Rs. 353,072 (Rs. 463,810) as at March 31, 2014.
- ii) The net deferred tax assets amounting to Rs. 119,813 (Rs. 33,757) for the year has been recognised in the Statement of Profit and Loss.



ANANT RAU CONS. & DEVELOPMENT PRIVATE LIMITED

Notes to financial statement for the year ended March 31, 2014

Notes - 8 "Tangible Assets"

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 1, 2013 Rs.	Additions during the year Rs.	Sales/adjustment during the year Rs.	As at March 31, 2014 Rs.	Upto March 31, 2013 Rs.	During the year Rs.	Depreciation written back/ Adjustment	Upto March 31, 2014 Rs.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
Plant and machinery	7,417,650	-	-	7,417,650	3,498,231	545,190	-	4,043,421	3,374,229	3,919,419
Furniture fixtures	1,604,073	-	-	1,604,073	860,013	134,674	-	994,687	609,386	744,060
Office equipments	718,990	-	-	718,990	381,474	46,948	-	428,422	290,568	337,516
Computer	762,964	-	-	762,964	703,153	23,925	-	727,078	35,886	59,811
Vehicles	3,128,369	-	223,582	2,904,787	2,382,062	189,682	180,734	2,391,010	513,777	746,307
Total	13,632,046			13,408,464	7,824,933	940,419	180,734	8,584,618	4,823,846	5,807,113
Previous year	14,603,022	-	970,976	13,632,046	7,109,707	1,154,775	439,549	7,824,933	5,807,113	7,493,315



	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
10 LONG TERM LOANS AND ADVANCES (Unsecured and considered good)		
a) Security deposits	45,414,537	14,762,763
b) Advances recoverable	60,201,560	60,201,560
	<u>105,616,097</u>	<u>74,964,323</u>
11 OTHER NON CURRENT ASSETS (Unsecured and considered good)		
a) Trade receivables	1,448,887	1,405,100
12 INVENTORIES (As taken and valued by management)		
a) Work in progress	3,488,627	30,177,055
	<u>3,488,627</u>	<u>30,177,055</u>
Raw material is valued at Cost or Net realisable value whichever is less. Cost is calculated using "First in First Out" method. Work in Progress is valued at direct cost incurred including estimated amount of allocable expenditure.		
13 TRADE RECEIVABLES (Unsecured and considered good)		
- Trade receivables outstanding for a period:		
a) more than six months from the date they are due for payment	-	1,448,887
b) less than six months from the date they are due for payment	38,979,216	49,444,876
	<u>38,979,216</u>	<u>50,893,763</u>
Include Rs. 2,75,69,301 (Rs. 2,98,39,068) as debts due from holding company and Rs. 1,14,09,915 (Rs. 2,10,10,908) from fellow subsidiary companies.		
14 CASH AND BANK BALANCES		
a) Cash and cash equivalents		
i) Balance with bank in current accounts	459,387	969,693
ii) Cash on hand	100,328	160,779
	<u>559,715</u>	<u>1,130,472</u>
b) Other bank balances		
i) Fixed deposit against margin money*	519,388	519,388
	<u>1,079,103</u>	<u>1,649,860</u>
*Pledged with the bank as margin against bank guarantee issued by the bank.		
15 SHORT TERM LOAN AND ADVANCES (Unsecured, considered good)		
a) Advances to creditors for goods and services	22,919,279	8,472,015
b) Loans and advances to employees	337,410	149,774
c) Input taxes receivable	5,791,005	7,711,119
d) Income tax receivable (net off of provision for tax)	17,344,033	14,788,943
	<u>46,391,727</u>	<u>31,121,851</u>
16 OTHER CURRENT ASSETS		
a) Interest accrued but not due	207,060	151,616
b) Prepaid expenses	9,611	13,588
	<u>216,671</u>	<u>165,204</u>



	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
17 REVENUE FROM OPERATIONS		
a) Contract revenue	156,632,085	314,995,460
18 OTHER INCOME		
a) Interest Income		
- On deposits	61,610	57,731
- On HVAT refund	432,593	-
- On income tax refund	-	756,418
b) Others	241,848	1,109,206
	<u>736,051</u>	<u>1,923,355</u>
19 COST OF MATERIAL CONSUMED		
a) Construction expenses	140,200,876	296,295,163
20 EMPLOYEE BENEFITS EXPENSES		
a) Salary and wages	9,294,403	10,655,707
b) Staff welfare	-	19,822
c) Contributions to provident and other funds	654,927	1,102,415
d) Gratuity	158,586	-
e) Leave encashment	123,560	34,479
f) Employee compensation	-	667,079
	<u>10,231,476</u>	<u>12,479,502</u>
21 OTHER EXPENSES		
a) Payment to auditors as audit fees (Refer Note No. 31)	100,000	100,000
b) Fees and taxes	1,571,810	271,897
c) Legal and professional	1,008,045	1,085,298
d) Vehicle running and maintenance	187,007	300,270
e) Conveyance	183,973	40,307
f) Insurance	33,761	10,987
g) Bank charges	6,755	18,960
h) Telephone expenses	7,500	4,150
i) Others	44,290	31,190
j) Loss on Sale of Fixed Assets	2,848	-
	<u>3,145,989</u>	<u>1,863,059</u>
22 EXCEPTIONAL ITEMS		
a) Profit on sale of fixed assets		<u>(215,713)</u>
23 PRIOR PERIOD ADJUSTMENTS		
a) Excess provision of expenses written back	-	(191,718)
b) Expenses of earlier year	2,517	-
	<u>2,517</u>	<u>(191,718)</u>



24 **CONTINGENT LIABILITIES (to the extent not provided for):**

	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
a) Claims against the Company not acknowledged as debts	11,078,270	11,078,270
b) Fixed deposits held by Bank as margin against guarantee given to Sales Tax authorities for Sales tax registration and issue of statutory forms to the Company.	300,000	300,000

25 **CAPITAL COMMITMENTS**

	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
The estimated amount of contracts remaining to be executed on Capital account and not provided for, net of advances.	104,715,000	-

- 26 In accordance with the provisions of the Accounting Standard-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized deferred tax assets of Rs. 5,31,577 (Rs. 5,22,502) and deferred tax liability of Rs. 3,53,072 (Rs. 4,63,810) as at March 31, 2014. Major components of deferred tax are:

Particulars	As at March 31, 2013 Rs. (a)	As at March 31, 2014 Rs. (b)	For the year Rs. (b-a)
	i) Deferred tax assets		
- Gratuity	355,749	396,814	41,065
- Leave encashment	166,753	134,763	(31,990)
	<u>522,502</u>	<u>531,577</u>	<u>9,075</u>
ii) Deferred tax liability			
- Tangible assets	463,810	353,072	(110,738)
	<u>463,810</u>	<u>353,072</u>	<u>(110,738)</u>
Net deferred tax asset/(liability); (i)-(ii)	<u>58,692</u>	<u>178,505</u>	<u>(119,813)</u>

The net deferred tax assets/(liabilities) amounting to Rs. 119,813 (Rs. 33,757) for the year has been recognized in the Statement of Profit and Loss.

- 27 The Company operates in the single segment of construction activity, hence, Accounting Standard-17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India is not applicable.



28 In accordance with the Accounting Standard 15 (Revised) (AS-15) on "Employee Benefits" issued by the Institute of Chartered Accountants of India, the Company has recognized its liability towards defined benefit plans being Gratuity liability of Rs. 12,23,035 (Rs.10,96,468) and leave encashment liability of Rs. 4,15,357 (Rs. 5,13,956).

The disclosures as per the revised AS-15 are as follows:

Particulars	(Rs. Lacs)			
	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Projected benefit obligation at the beginning of the year	10.96	11.55	5.14	5.76
Current service cost	1.86	1.97	0.06	1.22
Interest cost	0.93	0.95	0.44	0.47
Actuarial (gain)/loss on obligations	(1.20)	(3.51)	0.05	(1.34)
Benefits paid	(0.32)	-	(1.53)	(0.97)
Projected benefit obligation at the end of the year	12.23	10.96	4.15	5.14

(b) The fair value of plan assets is Nil since employee benefit plans are wholly unfunded as on March 31, 2014.

Particulars	(Rs. Lacs)			
	Gratuity		Leave encashment	
	2013-14	2012-13	2013-14	2012-13
Current service cost	1.86	1.97	0.06	1.22
Interest cost	0.93	0.95	0.44	0.47
Expected return on plan assets	-	-	-	-
Net actuarial (gain)/loss recognized	(1.20)	(3.51)	0.05	(1.34)
Expenses recognized in the statement of Profit and Loss Account	1.59	-0.59	0.55	0.34

(d) Principal actuarial assumptions

Particulars	Gratuity and leave encashment	
	31-Mar-14	31-Mar-13
Discount rates	8.50% p.a.	8.50% p.a.
Future salary increases	8% p.a.	8% p.a.

(e) The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

(f) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors.

(g) The employees are assumed to retire at the age of 58 years.

(h) The mortality rate considered are as per the published rates in the LIC (1994-96) mortality tables.



29 Earning Per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per share are as stated below:

Particulars	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
a) Profit available for equity shareholders	1,971,083	3,805,266
b) Weighted average number of equity shares outstanding for calculation of		
- Basic and diluted earning per share	5,000,000	5,000,000
c) Nominal value of per equity share	10	10
d) Earning per share (a)/(b)		
- Basic and diluted earning per share	0.39	0.76

30 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 relationship

Holding Company

Anant Raj Limited

Fellow Subsidiaries

- | | |
|--|---|
| 1 Anant Raj Hotels Ltd. | 49 Park Land Construction & Equipment Pvt. Ltd. |
| 2 Anant Raj Housing Limited | 50 Park Land Developers Pvt Ltd |
| 3 Anant Raj Infrastructure Private Limited | 51 Park View Promoters Pvt Ltd. |
| 4 Anant Raj Projects Ltd. | 52 Pasupati Aluminium Ltd. |
| 5 BBB Realty Pvt. Ltd. | 53 Pelikan Estates Pvt. Ltd. |
| 6 Blossom Buildtech Pvt. Ltd. | 54 Pioneer Promoters Pvt Ltd. |
| 7 Bolt Properties Pvt. Ltd. | 55 Rapid Realtors Pvt. Ltd. |
| 8 Century Promoters Pvt. Ltd. | 56 Rolling Construction Pvt. Ltd. |
| 9 A R Login 4 Edu Private Limited | 57 Romano Estates Pvt. Ltd. |
| 10 Echo Buildtech Pvt. Ltd. | 58 Romano Infrastructure Pvt. Ltd. |
| 11 Echo Properties Pvt. Ltd. | 59 Romano Projects Pvt. Ltd. |
| 12 Elegant Buildcon Pvt. Ltd. | 60 Romano Tiles Pvt. Ltd. |
| 13 Elegent Estates Pvt Ltd. | 61 Rose Realty Pvt. Ltd. |
| 14 Elevator Buildtech Pvt. Ltd. | 62 Roseview Buildtech Pvt. Ltd. |
| 15 Elevator Promoters Pvt. Ltd. | 63 Roseview Properties Pvt. Ltd. |
| 16 Elevator Properties Pvt. Ltd. | 64 Saffron Views Properties Pvt. Ltd. |
| 17 Empire Promoters Pvt. Ltd. | 65 Sand Storm Buildtech Pvt. Ltd. |
| 18 Fabulous Builders Pvt. Ltd. | 66 Sovereign Buildwell Pvt. Ltd. |
| 19 Four Construction Pvt. Ltd. | 67 Spring View Developers Pvt. Ltd. |
| 20 Gadget Builders Pvt. Ltd. | 68 Springview Properties Pvt. Ltd. |
| 21 Glaze Properties Pvt. Ltd. | 69 Suburban Farms Pvt. Ltd. |
| 22 Goodluck Buildtech Pvt. Ltd. | 70 Three Star Realty Pvt. Ltd. |
| 23 Grand Buildtech Pvt. Ltd. | 71 Townsend Construction & Equipment Pvt. Ltd. |
| 24 GrandPark Buildtech Pvt. Ltd. | 72 Tumhare Liye Realty Pvt. Ltd. |
| 25 Grand Park Estates Pvt. Ltd. | 73 Twenty First Developers Pvt. Ltd. |
| 26 Grandstar Realty Private Limited | 74 Vibrant Buildmart Pvt. Ltd. |
| 27 Greatway Estates Ltd. | 75 Woodland Promoters Pvt. Ltd. |
| 28 Green Retreat and Motels Pvt. Ltd. | 76 A-Plus Estates Private Limited |
| 29 Green View Buildwell Pvt. Ltd. | 77 Saiguru Buildmart Private Limited |



30 Green Way Promoters Pvt. Ltd.	78 Aakashganga Realty Private Limited
31 Greenline Buildcon Pvt. Ltd.	79 Excellent Inframart Private Limited
32 Greenline Promoters Pvt. Ltd.	80 Sartaj Developers & Promoters Pvt. Ltd.
33 Greenwood Properties Pvt. Ltd.	81 Advance Buildcon Private Limited
34 Green Valley Builders Private Limited	82 Ankur Buildcon Private Limited
35 Gujarat Anant Raj Vidhyanagar Ltd.	83 Capital Buildcon Private Limited
36 Hamara Realty Pvt. Ltd.	84 Krishna Buildtech Private Limited
37 Hemkunt Promoters Pvt. Ltd.	85 Rising Realty Private Limited
38 High Land Meadows Pvt. Ltd.	86 Capital Buildtech Private Limited
39 Jasmine Buildwell Pvt. Ltd.	87 Carnation Buildtech Private Limited
40 Jubilant Software Services Pvt. Ltd.	88 Gagan Buildtech Private Limited
41 Kalinga Buildtech Pvt. Ltd.	89 Greatways Buildtech Private Limited
42 Kalinga Realtors Pvt. Ltd.	90 Monarch Buildtech Private Limited
43 Redsea Realty Private Limited	91 Oriental Promoters Private Limited
44 North South Properties Pvt. Ltd.	92 Papillon Buildcon Private Limited
45 Novel Buildmart Pvt. Ltd.	93 Papillon Buildtech Private Limited
46 Novel Housing Pvt. Ltd.	94 West Land Buildcon Private Limited
47 One Star Realty Pvt. Ltd.	
48 Oriental Meadows Ltd.	

Key management personnel

Ashim Sarin	Managing Director
Maneesh Gupta	Director
Jayanti Sarin	Director

Relatives of Key management personnel

Anil Sarin	Relative of Director
Ashok Sarin	Relative of Director
Amit Sarin	Relative of Director
Aman Sarin	Relative of Director
Amar Sarin	Relative of Director

b) Transactions during the year with related parties (excluding reimbursements):

Sl. No.	Nature of transactions	Related party	For the year ended March 31, 2014	For the year ended March 31, 2013
			Rs.	Rs.
1	Contract revenue*	Anant Raj Limited	126,201,276	97,285,012
2	Purchase of Goods	Anant Raj Limited	-	283,369
3	Rent paid*	Anant Raj Limited	27,414	20,628
4	Short term borrowings received	Anant Raj Limited	6,300,000	6,000,000
5	Short term borrowings repaid	Anant Raj Limited	6,300,000	6,000,000
6	Contract revenue*	Anant Raj Projects Limited	13,035,468	5,219,953
7	Security deposits given	Anant Raj Projects Limited	651,774	260,998
8	Contract revenue*	One Star Realty Pvt. Ltd.	2,541,834	238,217,753
9	Purchase of Goods	Romano Tiles Pvt. Ltd.	66,326	-
10	Contract revenue*	Rolling Construction Pvt. Ltd.	22,278,480	-
11	Security deposits given	Green Retreat and Motels Pvt. Ltd.	30,000,000	-
12	Security deposits given	Rolling Construction Pvt. Ltd.	195,000,000	-
12	Security deposits received back	Rolling Construction Pvt. Ltd.	195,000,000	-

*Includes applicable statutory taxes.



c) Amount outstanding as at March 31, 2014:

Sl. No.	Account head	Related party	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
1	Advance from customers			
	- Holding Company	Anant Raj Limited	-	11,710,526
	- Fellow Subsidiary Company	Rolling Construction Pvt. Ltd.	45,021,520	-
2	Trade receivables			
	- Holding Company	Anant Raj Limited	27,569,301	29,839,068
	- Fellow Subsidiary Company	Anant Raj Projects Limited	10,819,616	734,772
	- Fellow Subsidiary Company	One Star Realty Pvt Ltd	590,299	20,276,136
3	Long term loans and advances			
	Security Deposits			
	- Fellow Subsidiary Company	Anant Raj Projects Limited	15,192,937	14,541,163
	- Fellow Subsidiary Company	Green Retreat and Motels Pvt. Ltd.	30,000,000	-

31 Payment to auditors:

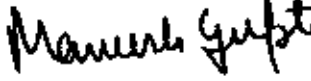
Particulars	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
a) For services as auditors exclusive of service tax	100,000	100,000
b) For certification services exclusive of service tax	-	5,000
	<u>100,000</u>	<u>105,000</u>

- 32 In the opinion of the management, the realizable value of all current assets, short term loans and advances in the ordinary course of business will not be less than their value as stated in the Balance Sheet.
- 33 Balances grouped under trade payables, long term loans and advances and short term loans and advances are subject to confirmation from respective parties.
- 34 Figures in brackets pertain to previous year, unless otherwise indicated.
- 35 Previous year figures have been regrouped/rearranged or recast, wherever considered necessary to make them comparable with the current year figures.

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

May 24, 2014
New Delhi


 Ashish Sarin
 (Managing Director)
 DIN: 00291515
 28, Sri Ram Road,
 Civil Lines, Delhi-54


 Maneesh Gupta
 (Director)
 DIN: 00129254
 18/15, IInd Floor,
 Shakti Nagar, Delhi-07


 Anita Gupta
 (Company Secretary)
 ACS 21602
 24-B, Janyug Apartments,
 Sector-14(Extn.)
 Rohini, Delhi-85



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
A. CASH FLOW FROM OPERATIONS		
Profit before tax from continuing operations	2,846,859	5,533,747
Depreciation	940,419	1,154,775
(Profit)/Loss on sale of assets	2,848	(215,713)
Operating profit before working capital changes	3,790,126	6,472,809
Increase/(Decrease) in long term provisions	(4,949)	(128,794)
Increase/(Decrease) in trade payables	(15,563,237)	2,521,236
Increase/(Decrease) in other current liabilities	19,543,904	13,638,389
Increase/(Decrease) in short term provisions	32,917	7,563
Decrease/(Increase) in long term loans and advances	(30,651,774)	(260,998)
Decrease/(Increase) in Other non current assets	(43,787)	(1,405,100)
Decrease/(Increase) in inventories	26,688,428	(26,281,930)
Decrease/(Increase) in trade receivables	11,914,547	2,718,095
Decrease/(Increase) in short term loans and advances	(15,269,876)	(1,885,907)
Decrease/(Increase) in other current assets	(51,467)	10,020,019
Cash generated from operations	384,832	5,415,382
Tax paid during the year	(995,589)	(7,018,268)
Net cash from operating activities	(A) (610,757)	(1,602,886)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to tangible assets	-	-
Sale of fixed asset	40,000	747,140
Net cash from investing activities	(B) 40,000	747,140
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	-
Increase/(Decrease) in short term borrowings	-	-
Net cash from financing activities	(C) -	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C) (570,757)	(855,746)
Cash and cash equivalents - Opening balance	1,130,472	1,986,217
Cash and cash equivalents - Closing balance	559,715	1,130,472
Note: Figures in brackets indicate cash outflow	(0.00)	0.00

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

Deora & Associates
Chartered Accountants

By the hand of

Arun Deora

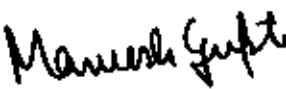
Partner

Membership No. 087728

May 24, 2014

New Delhi


Ashim Sarin
Managing Director
DIN: 00291515
28, Sri Ram Road,
Civil Lines, Delhi-54


Maneesh Gupta
(Director)
DIN: 00129254
18/15, IInd Floor,
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