

# INDEPENDENT AUDITOR'S REPORT

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To the Members of **One Star Realty Private Limited**

## 1) Report on the Financial Statements

We have audited the accompanying financial statements of **One Star Realty Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporation 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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) 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 Loss Incurred 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- b) As required under provisions of section 227(3) of the Companies Act, 1956, 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 notified under the Companies Act, 1956 read with the General Circular 15/2003 dated 13<sup>th</sup> 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 Act.

201, Suchet Chambers,  
1224/S, Naiwala, Bank Street,  
Karol Bagh,  
Delhi- 110005

Delhi  
May 26, 2014

A.K. Jindal & Associates  
Chartered Accountants  
Firm Registration No. 086659N  
By the hand,  
  
Ashok Gupta  
Partner  
Membership No. 085175



## 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 One Star Realty Private Limited on the financial statements for the year ended March 31, 2014)

- I. The Company does not own any fixed assets. Accordingly, provisions of clauses (i)(a), (i)(b) and (i)(c) of paragraph 4 of the Order are not applicable to the Company.
- II. The Company does not own any inventory. Accordingly, provisions of clauses (ii) (a), (ii) (b) and (ii) (c) of paragraph 4 of the Order are not applicable to the Company.
- III. (a) In our opinion and according to information and explanations given to us the company had taken unsecured loan from parties covered in the register maintained under section 301 of the Companies Act 1956. The Maximum amount involved during the year was Rs. 47,96,80,000/- and year end balance of loans taken from such parties was Rs.36,08,00,000/- . The rate of interest and other terms and conditions of loan taken by the company are prima facie not prejudicial to the interest of the company. There is no overdue amount.  
(b) According to information and explanations given to us the company had not granted any loans secured or unsecured to/from companies, firms or other parties covered in the register maintenance under section 301 of the Companies Act, 1956.
- 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 of the Companies Act, 1956 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 Act and the rules framed there under.
- VII. In our opinion and according to the information and explanation given to us, the Company is not subject to internal audit. However, the Company has an internal control system commensurate with its size and nature of its business.



- VIII. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act in respect of activities carried out by the Company.
- 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 to the extent 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 have accumulated losses as at the end of the financial year. The Company has incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- XI. The Company did not have any outstanding dues to any banks, financial institutions or debenture holders.
- 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 during the year , 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





**ONE STAR REALTY PRIVATE LIMITED**  
**H-65, CONNAUGHT CIRCUS, NEW DELHI - 110001**  
**Balance Sheet As At March 31, 2014**

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders Funds</b>			
(a) Share capital	1	500,000.00	500,000.00
(b) Reserves and surplus	2	(43,429.00)	(30,321.00)
<b>(3) Non-current liabilities</b>			
(a) Long term borrowings	3	360,800,000.00	470,230,000.00
<b>(4) Current Liabilities</b>			
(a) Other Current liabilities	4	634,409.00	21,898,357.00
<b>TOTAL</b>		<b>361,890,980.00</b>	<b>492,598,036.00</b>
<b>II ASSETS</b>			
<b>(1) Non-Current assets</b>			
(a) Long-term loans and advances	5	-	408,100,000.00
<b>(2) Current Assets</b>			
(a) Cash and cash equivalents	6	466,571.00	183,856.00
(b) Short-term loans and advances	7	361,424,409.00	84,314,180.00
<b>TOTAL</b>		<b>361,890,980.00</b>	<b>492,598,036.00</b>
<b>Significant accounting Policies and Notes on Accounts</b>	9		

As per our Report of even date attached


**For A.K. Jindal & Associates**  
 Firm Registration No. 006659N  
 Chartered Accountants

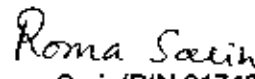
  
**Ashok Gupta**  
 Partner  
 Membership No. 085175



Place: Delhi  
 Dated: 26.05.2014

For and on behalf of the Board of Directors  
**DIRECTORS**

  
**Ashim Sarin**(DIN 00291515)  
 28, Sri Ram Road, Civil Lines, Delhi-110054

  
**Roma Sarin**(DIN 01746527)  
 28, Sri Ram Road, Civil Lines, Delhi-110054

**ONE STAR REALTY PRIVATE LIMITED**  
**H-65, CONNAUGHT CIRCUS, NEW DELHI - 110001**

**Statement of Profit And Loss Account For the Year Ended March 31, 2014**

Particulars	Note No.	For the year Ended 31.3.2014	For the year Ended 31.3.2013
I Revenue from operations		-	-
II Other Income		-	-
III Total Revenue (I+II)		-	-
IV Expenses :			
Other Expenses	8	13,108.00	16,038.00
Total Expenses		13,108.00	16,038.00
V Profit before exceptional and extraordinary item and tax (III-IV)		(13,108.00)	(16,038.00)
VI Exceptional Items			
VII Profit before Extraordinary Items and tax (V-VI)		(13,108.00)	(16,038.00)
VIII Extraordinary Items			
IX Profit before tax (VII-VIII)		(13,108.00)	(16,038.00)
X Tax expense			
XI Profit /( Loss) for the period from Continuing operations (IX-X)		(13,108.00)	(16,038.00)
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)		(13,108.00)	(16,038.00)
XVI Earning per equity share:			
(1) Basic		(0.26)	(0.32)
(2) Diluted		(0.26)	(0.32)

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

9

For and on behalf of the Board of Directors  
**DIRECTORS**

For A.K. Jindal & Associates  
Firm Registration No. 006659N  
Chartered Accountants

*(Ashok Gupta)*  
Partner  
Membership No. 085175



*(Ashim Sarin)*  
Ashim Sarin(DIN 00291515)  
28, Sri Ram Road, Civil Lines, Delhi-110054

Place: Delhi  
Dated: 26.05.2014

*(Roma Saini)*  
Roma Saini(DIN 01746527)  
28, Sri Ram Road, Civil Lines, Delhi-110054

**NOTE NO.**

	31.03.2014		31.03.2013	
	<u>Rupees</u>		<u>Rupees</u>	
<b>1</b>	<b><u>SHARE CAPITAL</u></b>			
a) Authorised 50000 (50000) Equity Shares of Rs.10 (Rs. 10) each	500,000.00		500,000.00	
b) Issued,Subscribed & paid up 50000 (50000) Equity Shares of Rs.10/- each fully paid-up	500,000.00		500,000.00	
c) Reconciliation of equity share capital	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</b>	
	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	50000	500000	50000	500000
d) Shares held by holding Company, Anant Raj Ltd. i) 50000 (50000) Equity Shares	500000		500000	
e) Shares in the company held by each share holder holding more than 5% shares <u>Name of Shareholders</u> 1) Anant Raj Ltd. a) Number of equity shares held % of shareholding	50000 100%		50000 100%	
<b>2</b>	<b><u>RESERVES &amp; SURPLUS</u></b>			
<b>Profit &amp; Loss Account</b>				
Opening Balance	(30,321.00)		(14,283.00)	
Add: Profit during the year	(13,108.00)		(16,038.00)	
Closing Balance ( Negative)	(43,429.00)		(30,321.00)	
<b>3</b>	<b><u>LONG TERM BORROWINGS</u></b>			
1) Loans & advances from Related Parties Unsecured From Holding Company	380,800,000.00		470,230,000.00	
- The Above loan is not guaranteed 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 .				
<b>4</b>	<b><u>OTHER CURRENT LIABILITIES</u></b>			
<b>Other Payable</b>				
<b>Duties &amp; Taxes</b>				
WCT	22426			
TDS	11684	34,110.00		1,612,221.00
Audit Fees		10,000.00		10,000.00
Capital Goods		590,299.00		20,276,138.00
		634,409.00		21,896,357.00





**5 LONG TERM LOANS & ADVANCES****Unsecured Considered Goods****Other Loans & Advances**

Advance Recoverable in Cash or in Kind

-	408,100,000.00
-	408,100,000.00

**6 CASH AND CASH EQUIVALENTS**

Cash in Hand

2,546.00 2,651.00

Bank balance in current account  
with State Bank of India

464,025.00	181,205.00
466,571.00	183,856.00

**7 SHORT TERM LOANS AND ADVANCES**

(Unsecured Considered Good)

Other

Advance Recoverable in Cash or in Kind

361,424,409.00	84,314,180.00
361,424,409.00	84,314,180.00

**8 OTHER EXPENSES**

Filing Fees

1,005.00 724.00

Legal &amp; Professional Charges

1,405.00 1,405.00

Bank Charges

698.00 3,909.00

Interest on Late Deposit of TDS

Misc. Expenses

**Auditor's Remuneration**

Audit Fee

10,000.00 10,000.00

Unamortised Expenditure Written off

13,108.00	16,038.00
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**9 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 Tangible Assets**

Fixed 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 fixed 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 Ltd. since all shares are held by Anant Raj Ltd. and its nominees.

**3 Related Party Disclosures**

i. Name of related parties and description of relationship:

1. Holding Company Anant Raj Ltd.

ii. Transactions with related parties

Holding Company

Loan Received from holding company Rs.59250000 ( PY.217180000 )  
Loan Repaid Rs.168680000( PY. 29500000 )

III Closing Balances with related parties: Rs. 360800000( PY.470230000 )

**5 Segment Reporting**

The company has no reportable Business or Geographical segment

**6 Earning per Shares**

Particulars		2013-2014	2012-2013
Profit attributable in the Shareholders	(A)	(13108)	(16038)
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)	(0.26)	(0.32)


7 Previous year figures have been regrouped wherever found necessary .

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


Place : Delhi

Dated:26.05.2014

**DIRECTORS**

  
Ashim Sarin(DIN 00291515)  
28, Sri Ram Road, Civil Lines, Delhi-110054



  
Roma Sarin(DIN 01746527)  
28, Sri Ram Road, Civil Lines, Delhi-110054

**ONE STAR REALTY PRIVATE LIMITED**  
**H-65, CONNAUGHT CIRCUS, NEW DELHI - 110001**  
**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.
<b>A. CASH FLOW FROM OPERATIONS</b>		
Profit before tax and extraordinary items	(13,108)	(16,038)
Interest received	-	-
Unamortised expenditure written off	-	-
<b>Operating profit before working capital changes</b>	<b>(13,108)</b>	<b>(16,038)</b>
Adjustment for:		
- Long term Loans and advances	-	(113,889,916)
- Short term Loans and advances	130,989,771	(84,314,180)
- Other liabilities	(21,263,948)	10,564,407
<b>Cash generated from operations</b>	<b>109,712,715</b>	<b>(187,655,727)</b>
Tax Paid including TDS		
<b>Net cash from operating activities</b>	<b>(A) 109,712,715</b>	<b>(187,655,727)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received		
<b>Net cash used in investing activities</b>	<b>(B) -</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Unsecured loan received	(109,430,000)	187,680,000
<b>Net cash used in financing activities</b>	<b>(C) (109,430,000)</b>	<b>187,680,000</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>282,715</b>	<b>24,273</b>
Cash and cash equivalents - Opening balance	183,856	159,583
Cash and cash equivalents - Closing balance	466,571	183,856

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


**Auditor's report**


We have examined the Cash Flow Statement of One Star Realty Private Limited for the year ended March 31, 2012. The statement prepared by the Company is in accordance with the requirement of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet covered by our Report to the members of the Company in terms of our attached Report as of even date.

A.K. Jindal & Associates


Chartered Accountants


By the hand of

  
**Ashok Gupta**  
 Partner  
 Membership No. 348194



Directors

  
**Ashim Sarin (DIN 00291515)**  
 28, Sri Ram Road, Civil Lines, Delhi-110054

  
**Roma Sarin (DIN 01746527)**  
 28, Sri Ram Road, Civil Lines, Delhi-110054

Date: 26.05.2014