

# INDEPENDENT AUDITOR'S REPORT

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To the Members of **Romano Tiles Private Limited**

## 1) Report on the Financial Statements

We have audited the accompanying financial statements of **Romano Tiles 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

Further to our comments in the Annexure referred in para 5(a) of this Report, 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.

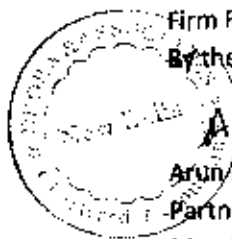


## 5) Report on Other Legal and Regulatory Requirements

- 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 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,  
Bank Street, Karol Bagh,  
New Delhi- 110005

May 16, 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 Romano Tiles 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 inventories were physically verified by the management at reasonable intervals during the year.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- 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 long 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 and the year ended balance of the said loan was Rs. 5,54,38,662.
- (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 explanations given to us, the event for repayment of principal has not arisen and also no interest is due for payment as at the year end.
- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. 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. The Company has not accepted any deposits from the public.
- 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 Companies Act, 1956 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 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 accumulated losses as at the end of the financial year which is more than fifty percent of its net worth. The Company has incurred cash losses 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 for loans taken by others from banks or financial institutions.
- XVI. The Company has not obtained any term loans.

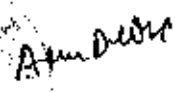


- XVII. According to the information and explanations given to us, the Company has not raised any funds on short term basis.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- XIX. The Company did not have any outstanding 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,  
Bank Street, Karol Bagh,  
New Delhi- 110005

Deora & Associates  
Chartered Accountants  
Firm Registration No. 022619N

By the hand of

  
Arun Deora  
Partner  
Membership No. 087729

May 16, 2014

**ROMANO TILES PRIVATE LIMITED**  
**E-2 Ara Centre, Jhandewalan Extension, New Delhi-110055**  
**BALANCE SHEET AS AT MARCH 31, 2014**

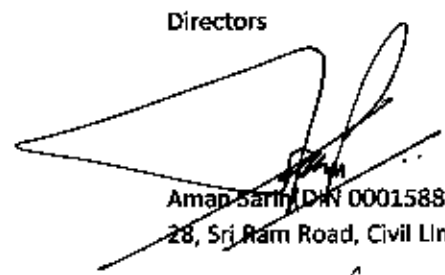
|                                          | Notes       | As at March<br>31, 2014<br>Rs. | As at March<br>31, 2013<br>Rs. |
|------------------------------------------|-------------|--------------------------------|--------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>         |             |                                |                                |
| <b>Shareholders' fund</b>                |             |                                |                                |
| a) Share capital                         | 2           | 500,000                        | 500,000                        |
| b) Reserves and surplus                  | 3           | <u>(2,138,976)</u>             | <u>(1,883,049)</u>             |
|                                          |             | <u>(1,638,976)</u>             | <u>(1,383,049)</u>             |
| <b>Non current liabilities</b>           |             |                                |                                |
| a) Long term borrowings                  | 4           | 55,438,662                     | 55,211,662                     |
| b) Deferred tax liability (net)          |             | -                              | 556                            |
|                                          |             | <u>55,438,662</u>              | <u>55,212,218</u>              |
| <b>Current liabilities</b>               |             |                                |                                |
| a) Other current liabilities             | 5           | 53,469                         | 49,709                         |
| <b>TOTAL</b>                             |             | <u><u>53,853,156</u></u>       | <u><u>53,878,878</u></u>       |
| <b>II. ASSETS</b>                        |             |                                |                                |
| <b>Non current assets</b>                |             |                                |                                |
| a) Fixed assets                          |             |                                |                                |
| i) Tangible assets                       | 6           | 53,127,570                     | 53,128,649                     |
| b) Non current investments               | 7           | 55,000                         | 55,000                         |
| c) Long term loans and advances          | 8           | <u>79,290</u>                  | <u>79,290</u>                  |
|                                          |             | <u>53,261,860</u>              | <u>53,262,939</u>              |
| <b>Current assets</b>                    |             |                                |                                |
| a) Inventories                           | 9           | -                              | 110,792                        |
| b) Cash and bank balances                | 10          | 508,075                        | 446,042                        |
| c) Short term loans and advances         | 11          | 7,450                          | 6,623                          |
| d) Other current assets                  | 12          | <u>75,771</u>                  | <u>52,482</u>                  |
|                                          |             | <u>591,296</u>                 | <u>615,939</u>                 |
| <b>TOTAL</b>                             |             | <u><u>53,853,156</u></u>       | <u><u>53,878,878</u></u>       |
| <b>SIGNIFICANT ACCOUNTING POLICIES</b>   | <b>1</b>    |                                |                                |
| <b>NOTES TO THE FINANCIAL STATEMENTS</b> | <b>2-24</b> |                                |                                |

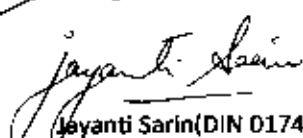
The accompanying notes are an integral part of the financial statements.  
As per our report of even date.

Deora & Associates  
Chartered Accountants  
By the hand of  
  
Arun Deora  
Partner  
Membership No. 087729

May 16, 2014  
Delhi

Directors

  
Aman Sarin (DIN 00015887)  
28, Sri Ram Road, Civil Lines, New Delhi-110054

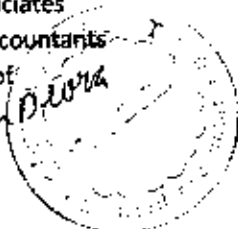
  
Jayanti Sarin (DIN 01746447)  
28, Sri Ram Road, Civil Lines, New Delhi-110054

**ROMANO TILES PRIVATE LIMITED**  
**E-2 Ara Centre, Jhandewalan Extension, New Delhi-110055**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

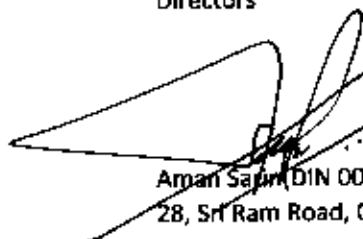
|                                                                                | Notes | For the year<br>ended March<br>31, 2014<br>Rs. | For the year<br>ended March<br>31, 2013<br>Rs. |
|--------------------------------------------------------------------------------|-------|------------------------------------------------|------------------------------------------------|
| <b>I INCOME</b>                                                                |       |                                                |                                                |
| Revenue from operations                                                        | 13    | 65,025                                         | -                                              |
| Other Income                                                                   | 14    | 56,200                                         | 41,976                                         |
| <b>Total income</b>                                                            |       | <u>121,225</u>                                 | <u>41,976</u>                                  |
| <b>II EXPENSES</b>                                                             |       |                                                |                                                |
| Decrease in inventory of traded goods                                          | 15    | 110,792                                        | 27,698                                         |
| Consumption of packing material                                                |       | -                                              | 143,184                                        |
| Depreciation                                                                   |       | 1,079                                          | 1,585                                          |
| Other expenses                                                                 | 16    | 265,195                                        | 254,513                                        |
| <b>Total expenses</b>                                                          |       | <u>377,066</u>                                 | <u>426,980</u>                                 |
| <b>III Profit/(Loss) before tax (I - II)</b>                                   |       | <u>(255,841)</u>                               | <u>(385,004)</u>                               |
| <b>IV Tax expense</b>                                                          |       |                                                |                                                |
| Current tax expense for current year                                           |       | -                                              | -                                              |
| Current tax expense relating to prior years                                    |       | 86                                             | -                                              |
| Deferred tax                                                                   |       | -                                              | (296)                                          |
|                                                                                |       | <u>86</u>                                      | <u>(296)</u>                                   |
| <b>V Profit/(Loss) for the year from continuing operations (III - IV)</b>      |       | <u>(255,927)</u>                               | <u>(384,708)</u>                               |
| <b>VI Earnings per share [equity share, par value of Rs. 10 (Rs. 10) each]</b> |       |                                                |                                                |
| 1) Basic                                                                       |       | -5.12                                          | -7.69                                          |
| 2) Diluted                                                                     |       | -5.12                                          | -7.69                                          |
| <b>SIGNIFICANT ACCOUNTING POLICIES</b>                                         |       | 1                                              |                                                |
| <b>NOTES TO THE FINANCIAL STATEMENTS</b>                                       |       | 2-24                                           |                                                |

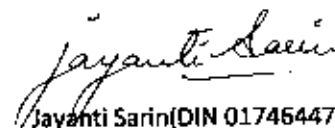
The accompanying notes are an integral part of the financial statements.  
As per our report of even date.

Deora & Associates  
Chartered Accountants  
By the hand of  
  
Arun Deora  
Partner  
Membership No. 087729



Directors

  
Aman Sarin (DIN 00015887)  
28, Sri Ram Road, Civil Lines, New Delhi-110054

  
Jayanti Sarin (DIN 01746447)

28, Sri Ram Road, Civil Lines, New Delhi-110054

May 16, 2014  
Delhi

**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.

**b) TANGIBLE ASSETS**

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.

**c) 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 recognised whenever the carrying amount of an asset exceeds its recoverable amount, the latter being greater of net selling price and value in use.

**d) INVESTMENTS**

Long term investments are valued at cost. Provision is made for diminution in the value of investments where in the opinion of the Board of Directors such diminution is other than temporary.

**e) INVENTORIES**

Inventories comprise of traded goods and packing material, which are valued at cost or net realizable value whichever is lower, as per the First in First Out method. Cost of inventories comprises of purchase price including other expenditure directly attributable for bringing the inventories to its present location and condition.

**f) DEPRECIATION**

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

**g) RECOGNITION OF REVENUE AND EXPENDITURE**

Income and expenditure are accounted for on accrual basis.





**h) 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.

**i) 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.

**j) 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 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 Statement of Profit and Loss in the year of change. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statement of Profit and Loss 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.

**k) 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<br>31, 2014<br>Rs. | As at March<br>31, 2013<br>Rs. |
|---------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>2 SHARE CAPITAL</b>                                              |                                |                                |
| <b>Authorized</b>                                                   |                                |                                |
| 100,000 (100,000) equity shares of Rs. 10 (Rs. 10) each             | 1,000,000                      | 1,000,000                      |
| <b>Issued, subscribed, and fully paid up</b>                        |                                |                                |
| 50,000 (50,000) equity shares of Rs. 10 (Rs. 10) 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, 2014 |              | As at March 31, 2013 |              |
|-----------------------------------------------------------|----------------------|--------------|----------------------|--------------|
|                                                           | Number               | Amount (Rs.) | Number               | Amount (Rs.) |
| Number of shares outstanding at the beginning of the year | 50,000               | 500,000      | 50,000               | 500,000      |
| Number of shares outstanding at the end of the year       | 50,000               | 500,000      | 50,000               | 500,000      |

## b) Terms/rights attached to equity shares

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

|                                                                       |         |         |
|-----------------------------------------------------------------------|---------|---------|
| *40,000 (*40,000) equity shares of Rs. 10 (Rs. 10) each fully paid up | 400,000 | 400,000 |
|-----------------------------------------------------------------------|---------|---------|

\*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 |           |
|------------------------------------------------------------|----------------------|-----------|----------------------|-----------|
|                                                            | Number               | % holding | Number               | % holding |
| <b>Equity Shares of Rs. 10 (Rs. 10) each fully paid up</b> |                      |           |                      |           |
| i) Anant Raj Limited                                       | 40,000               | 80%       | 40,000               | 80%       |
| ii) Excel Infotech Ltd.                                    | 10,000               | 20%       | 10,000               | 20%       |



**ROMANO TILES PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2014**

**Notes -6 "Tangible Assets"**

| Particulars               | Gross Block                |                                 |                              | Depreciation                |                            |                        | NET BLOCK                  |                             |                             |
|---------------------------|----------------------------|---------------------------------|------------------------------|-----------------------------|----------------------------|------------------------|----------------------------|-----------------------------|-----------------------------|
|                           | As at April 1, 2013<br>Rs. | Addition during the year<br>Rs. | Sales during the year<br>Rs. | As at March 31, 2014<br>Rs. | Upto March 31, 2013<br>Rs. | During the year<br>Rs. | Upto March 31, 2014<br>Rs. | As at March 31, 2014<br>Rs. | As at March 31, 2013<br>Rs. |
| Land and site development | 53,123,945                 | -                               | -                            | 53,123,945                  | -                          | -                      | -                          | 53,123,945                  | 53,123,945                  |
| Computer                  | 26,200                     | -                               | -                            | 26,200                      | 24,569                     | 652                    | 25,221                     | 979                         | 1,631                       |
| Mobile                    | 6,500                      | -                               | -                            | 6,500                       | 3,427                      | 427                    | 3,854                      | 2,646                       | 3,073                       |
| <b>Total</b>              | <b>53,156,645</b>          | <b>-</b>                        | <b>-</b>                     | <b>53,156,645</b>           | <b>27,996</b>              | <b>1,079</b>           | <b>29,075</b>              | <b>53,127,570</b>           | <b>53,128,649</b>           |
| Previous year             | 53,156,645                 | -                               | -                            | 53,156,645                  | 26,411                     | 1,585                  | 27,996                     | 53,128,649                  | 53,130,234                  |



**ROMANO TILES PRIVATE LIMITED**  
**DEPRECIATION UNDER INCOME TAX ACT, 1961**

A.Y. 2014-15

| S. No. | Particulars               | WDV as on April 1, 2013<br>Rs. | Addition during the year  |                           | Sales during the year<br>Rs. | Total<br>Rs.      | Depreciation              |                           | Total<br>Depreciation<br>Rs. | WDV as on March 31, 2014<br>Rs. |
|--------|---------------------------|--------------------------------|---------------------------|---------------------------|------------------------------|-------------------|---------------------------|---------------------------|------------------------------|---------------------------------|
|        |                           |                                | More than 180 days<br>Rs. | Less than 180 days<br>Rs. |                              |                   | More than 180 days<br>Rs. | Less than 180 days<br>Rs. |                              |                                 |
| 1      | Land and site Development | 53,123,945                     | -                         | -                         | -                            | 53,123,945        | -                         | -                         | -                            | 53,123,945                      |
| 2      | Computer                  | 107                            | -                         | -                         | -                            | 107               | 64                        | -                         | 64                           | 43                              |
| 3      | Mobile                    | 2,884                          | -                         | -                         | -                            | 2,884             | 433                       | -                         | 433                          | 2,452                           |
|        | <b>Total</b>              | <b>53,126,937</b>              | <b>-</b>                  | <b>-</b>                  | <b>-</b>                     | <b>53,126,937</b> | <b>497</b>                | <b>-</b>                  | <b>497</b>                   | <b>53,126,440</b>               |



**ROMANO TILES PRIVATE LIMITED**
**Notes to financial statements for the year ended March 31, 2014**

|                                                                                                                                                                                                                                              | As at March<br>31, 2014<br>Rs. | As at March<br>31, 2013<br>Rs. |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>3 RESERVES AND SURPLUS</b>                                                                                                                                                                                                                |                                |                                |
| a) Surplus                                                                                                                                                                                                                                   |                                |                                |
| Opening balance                                                                                                                                                                                                                              | (1,883,049)                    | (1,498,341)                    |
| Net Profit/(Loss) for the year                                                                                                                                                                                                               | <u>(255,927)</u>               | <u>(384,708)</u>               |
|                                                                                                                                                                                                                                              | <u>(2,138,976)</u>             | <u>(1,883,049)</u>             |
| <b>4 LONG TERM BORROWINGS<br/>(Unsecured)</b>                                                                                                                                                                                                |                                |                                |
| a) Loan from related party                                                                                                                                                                                                                   | <u>55,438,662</u>              | <u>55,211,662</u>              |
| <p>Loan from related party represents non interest bearing unsecured loan obtained from holding company , which is repayable on demand. 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                                                                                                                                                                                                                            |                                |                                |
| i) Expenses payable                                                                                                                                                                                                                          | 53,359                         | 45,907                         |
| ii) Statutory dues payable                                                                                                                                                                                                                   | <u>110</u>                     | <u>3,802</u>                   |
|                                                                                                                                                                                                                                              | <u>53,469</u>                  | <u>49,709</u>                  |
| <b>7 NON CURRENT INVESTMENT</b>                                                                                                                                                                                                              |                                |                                |
| Trade and Unquoted Investment (At cost)                                                                                                                                                                                                      |                                |                                |
| a) Investment in government securities                                                                                                                                                                                                       | <u>55,000</u>                  | <u>55,000</u>                  |
| <b>8 LONG TERM LOANS AND ADVANCES<br/>(Unsecured, considered good)</b>                                                                                                                                                                       |                                |                                |
| a) Security deposits                                                                                                                                                                                                                         | <u>79,290</u>                  | <u>79,290</u>                  |
| <b>9 INVENTORIES</b>                                                                                                                                                                                                                         |                                |                                |
| (As taken and valued by management)                                                                                                                                                                                                          |                                |                                |
| a) Traded goods                                                                                                                                                                                                                              | -                              | 110,792                        |
| b) Packing material                                                                                                                                                                                                                          | <u>-</u>                       | <u>-</u>                       |
|                                                                                                                                                                                                                                              | <u>-</u>                       | <u>110,792</u>                 |
| <b>10 CASH AND BANK BALANCES</b>                                                                                                                                                                                                             |                                |                                |
| a) Cash and cash equivalents                                                                                                                                                                                                                 |                                |                                |
| i) Balance with bank In current accounts                                                                                                                                                                                                     | 82,808                         | 38,734                         |
| ii) Cash on hand                                                                                                                                                                                                                             | <u>18</u>                      | <u>123</u>                     |
|                                                                                                                                                                                                                                              | <u>82,826</u>                  | <u>38,857</u>                  |
| b) Other bank balances                                                                                                                                                                                                                       |                                |                                |
| - Fixed deposit against margin money*                                                                                                                                                                                                        | <u>425,249</u>                 | <u>407,185</u>                 |
|                                                                                                                                                                                                                                              | <u>508,075</u>                 | <u>446,042</u>                 |

\*Pledged with the bank as margin against bank guarantee issued by the bank.



**ROMANO TILES PRIVATE LIMITED**
**Notes to financial statements for the year ended March 31, 2014**

|                                                                            | As at March<br>31, 2014<br>Rs.                 | As at March<br>31, 2013<br>Rs.                 |
|----------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>11 SHORT TERM LOANS AND ADVANCES</b><br>(Unsecured and considered good) |                                                |                                                |
| a) Income tax receivable                                                   | 7,450                                          | 6,623                                          |
| <b>12 OTHER CURRENT ASSETS</b>                                             |                                                |                                                |
| a) Unamortised expenditure                                                 |                                                |                                                |
| Opening balance                                                            | -                                              | 6,937                                          |
| Less: Amount written off during the year                                   | -                                              | 6,937                                          |
|                                                                            | -                                              | -                                              |
| b) Interest accrued but not due                                            | 75,771                                         | 52,482                                         |
|                                                                            | 75,771                                         | 52,482                                         |
|                                                                            |                                                |                                                |
|                                                                            | For the year<br>ended March<br>31, 2014<br>Rs. | For the year<br>ended March<br>31, 2013<br>Rs. |
| <b>13 REVENUE FROM OPERATIONS</b>                                          |                                                |                                                |
| a) Sale of ceramic tiles                                                   | 65,025                                         | -                                              |
| <b>14 OTHER INCOME</b>                                                     |                                                |                                                |
| a) Interest on fixed deposits                                              | 38,568                                         | 35,832                                         |
| b) Interest on national saving certificate                                 | 6,643                                          | 6,144                                          |
| c) Interest received on income tax refund                                  | 180                                            | -                                              |
| d) Amount written back                                                     | 10,809                                         | -                                              |
|                                                                            | 56,200                                         | 41,976                                         |
| <b>15 DECREASE IN INVENTORIES OF TRADED GOODS</b>                          |                                                |                                                |
| a) Ceramic Tiles                                                           |                                                |                                                |
| Opening balance                                                            | 110,792                                        | 138,490                                        |
| Closing balance                                                            | -                                              | 110,792                                        |
|                                                                            | 110,792                                        | 27,698                                         |
| <b>16 OTHER EXPENSES</b>                                                   |                                                |                                                |
| a) Security expenses                                                       | 197,552                                        | 207,303                                        |
| b) Legal and professional                                                  | 13,405                                         | 12,281                                         |
| c) Payment to auditors as audit fees                                       | 11,236                                         | 11,236                                         |
| d) Water charges                                                           | 15,139                                         | 14,844                                         |
| e) Rent                                                                    | 26,964                                         | 8,045                                          |
| f) Filing fees                                                             | 705                                            | 762                                            |
| g) Other expenses                                                          | 194                                            | 42                                             |
|                                                                            | 265,195                                        | 254,513                                        |



- 17 Fixed deposit receipts pledged with Sales Tax Authorities are Rs. 4,25,249 (Rs. 4,07,185).
- 18 In accordance with the provisions of Accounting Standard-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has not recognized deferred tax asset/liability as at 31st March, 2014 as there is no reasonable certainty that sufficient future taxable income will be available for set off.

| Particulars                                 | As at March<br>31, 2013<br>Rs. | As at March<br>31, 2014<br>Rs. | For the year<br>Rs. |
|---------------------------------------------|--------------------------------|--------------------------------|---------------------|
| Deferred tax liability<br>- On Fixed assets | 556                            | -                              | (556)               |

The opening net deferred tax liability has been credited to Statement of Profit and Loss.

- 19 The earning considered in ascertaining the Company's EPS is the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

| Particulars                                                             |     | For the year<br>ended March<br>31, 2014 | For the year<br>ended March<br>31, 2013 |
|-------------------------------------------------------------------------|-----|-----------------------------------------|-----------------------------------------|
| Profit/(Loss) attributable to equity shareholders                       | Rs. | (255,927)                               | (384,708)                               |
| Nominal value of equity share                                           | Rs. | 10                                      | 10                                      |
| Weighted average number of equity shares<br>outstanding during the year | No. | 50,000                                  | 50,000                                  |
| Basic and diluted earnings per share                                    | Rs. | (5.12)                                  | (7.69)                                  |

## 20 Related Party Disclosures:

Pursuant to Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India following parties are to be treated as related parties along with their relationships:

- a) List of related parties where control exists and other related parties with whom transactions have taken place and relationships:

### Holding Company

Anant Raj Limited

### Fellow Subsidiaries

Aakashganga Realty Pvt. Ltd.

Advance Buildcon Pvt. Ltd.

Anant Raj Cons. & Development Pvt. Ltd.

Anant Raj Hotels Ltd.

Anant Raj Housing Ltd.

Anant Raj Infrastructure Pvt. Ltd.

Anant Raj Projects Ltd.

Ankur Buildcon Pvt. Ltd.

A-Plus Estates Pvt. Ltd.

AR Login 4 Edu Pvt Ltd.



|                                      |                                              |
|--------------------------------------|----------------------------------------------|
| BBB Realty Pvt. Ltd.                 | Kalinga Realtors Pvt. Ltd.                   |
| Blossom Buildtech Pvt. Ltd.          | Krishna Buildtech Pvt. Ltd.                  |
| Bolt Properties Pvt. Ltd.            | Monarch Buildtech Pvt. Ltd.                  |
| Capital Buildcon Pvt. Ltd.           | North South Properties Pvt. Ltd.             |
| Capital Buildtech Pvt. Ltd.          | Novel Buildmart Pvt. Ltd.                    |
| Carnation Buildtech Pvt. Ltd.        | Novel Housing Pvt. Ltd.                      |
| Century Promoters Pvt. Ltd.          | One Star Realty Pvt. Ltd.                    |
| Echo Buildtech Pvt. Ltd.             | Oriental Meadows Ltd.                        |
| Echo Properties Pvt. Ltd.            | Oriental Promoters Pvt. Ltd.                 |
| Elegant Buildcon Pvt. Ltd.           | Papillion Buildtech Pvt. Ltd.                |
| Elegant Estates Pvt. Ltd.            | Papillion Buildcon Pvt. Ltd.                 |
| Elevator Buildtech Pvt. Ltd.         | Park Land Construction & Equipment Pvt. Ltd. |
| Elevator Promoters Pvt. Ltd.         | Park Land Developers Pvt. Ltd.               |
| Elevator Properties Pvt. Ltd.        | Park View Promoters Pvt. Ltd.                |
| Empire Promoters Pvt. Ltd.           | Pasupati Aluminium Ltd.                      |
| Excellent Inframart Pvt. Ltd.        | Pelikan Estates Pvt. Ltd.                    |
| Fabulous Builders Pvt. Ltd.          | Pioneer Promoters Pvt. Ltd.                  |
| Four Construction Pvt. Ltd.          | Rapid Realtors Pvt. Ltd.                     |
| Gadget Builders Pvt. Ltd.            | Redsea Realty Pvt. Ltd.                      |
| Gagan Buildtech Pvt. Ltd.            | Rising Realty Pvt. Ltd.                      |
| Glaze Properties Pvt. Ltd.           | Rolling Construction Pvt. Ltd.               |
| Goodluck Buildtech Pvt. Ltd.         | Romano Estates Pvt. Ltd.                     |
| Grand Buildtech Pvt. Ltd.            | Romano Infrastructure Pvt. Ltd.              |
| Grand Park Estates Pvt. Ltd.         | Romano Projects Pvt. Ltd.                    |
| Grandpark Buildtech Pvt. Ltd.        | Rose Realty Pvt. Ltd.                        |
| Grandstar Realty Pvt. Ltd.           | Roseview Buildtech Pvt. Ltd.                 |
| Greatway Estates Ltd.                | Roseview Properties Pvt. Ltd.                |
| Greatways Buildtech Pvt. Ltd.        | Saffron Views Properties Pvt. Ltd.           |
| Green Retreat & Motels Pvt. Ltd.     | Saiguru Buildmart Pvt. Ltd.                  |
| Green Valley Builders Pvt. Ltd.      | Sand Storm Buildtech Pvt. Ltd.               |
| Green View Buildwell Pvt. Ltd.       | Sartaj Developers & Promoters Pvt. Ltd.      |
| Green Way Promoters Pvt. Ltd.        | Sovereign Buildwell Pvt. Ltd.                |
| Greenline Buildcon Pvt. Ltd.         | Spring View Developers Pvt. Ltd.             |
| Greenline Promoters Pvt. Ltd.        | Springview Properties Pvt. Ltd.              |
| Greenwood Properties Pvt. Ltd.       | Suburban Farms Pvt. Ltd.                     |
| Gujarat Anant Raj Vidhyanagar Ltd.   | Three Star Realty Pvt. Ltd.                  |
| Hamara Realty Pvt. Ltd.              | Townsend Construction & Equipment Pvt. Ltd.  |
| Hemkunt Promoters Pvt. Ltd.          | Tumhare Liye Realty Pvt. Ltd.                |
| High Land Meadows Pvt. Ltd.          | Twenty First Developers Pvt. Ltd.            |
| Jasmine Buildwell Pvt. Ltd.          | Vibrant Buildmart Pvt. Ltd.                  |
| Jubilant Software Services Pvt. Ltd. | West Land Buildcon Pvt. Ltd.                 |
| Kalinga Buildtech Pvt. Ltd.          | Woodland Promoters Pvt. Ltd.                 |

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

Ganga Bishan &amp; Company

**Key Management Personnel**

Aman Sarin

Jayanti Sarin

Anil Mahindra

Director

Director

Director

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



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

| Sl. No. | Nature of Transactions                             | Related Party     | For the year ended March 31, 2014<br>Rs. | For the year ended March 31, 2013<br>Rs. |
|---------|----------------------------------------------------|-------------------|------------------------------------------|------------------------------------------|
| 1       | Long term borrowings received from holding company | Anant Raj Limited | 227,000                                  | 3,739,956                                |

## c) Amount outstanding as at March 31, 2014:

| Sl. No. | Account Head                                      | Related Party     | As at March 31, 2014<br>Rs. | As at March 31, 2013<br>Rs. |
|---------|---------------------------------------------------|-------------------|-----------------------------|-----------------------------|
| 1       | Long term borrowings repayable to holding company | Anant Raj Limited | 55,438,662                  | 55,211,662                  |

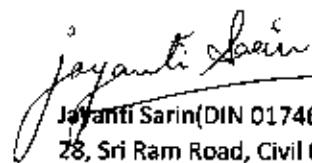
- 21 In the opinion and the best estimates of the Board of Directors of the Company barring unforeseen circumstances, the Company will be continuing as going concern in spite of accumulated losses exceeding share capital and reserves of the Company as at the year end.
- 22 In the opinion of the management, current assets, if realized in the ordinary course of business would yield a sum at least equal to that stated in the Balance Sheet.
- 23 Previous year figures have been regrouped/recast, where ever necessary to confirm with this year's presentation.
- 24 Figures in brackets pertain to the previous year, unless otherwise indicated.

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

Directors



Aman Sarin (DIN 00015887)  
28, Sri Ram Road, Civil Lines, New Delhi-110054



Jayanti Sarin (DIN 01746447)  
28, Sri Ram Road, Civil Lines, New Delhi-110054

May 16, 2014  
Delhi



**ROMANO TILES PRIVATE LIMITED**  
**E-2 Ara Centre, Ihandewalan Extension, New Delhi-110055**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

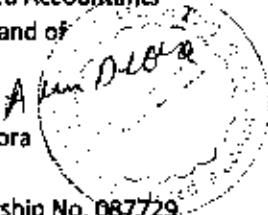
|                                                             | For the year<br>ended March<br>31, 2014<br>Rs. | For the year<br>ended March<br>31, 2013<br>Rs. |
|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>A. CASH FLOW FROM OPERATIONS</b>                         |                                                |                                                |
| Profit/(Loss) before tax from continuing operation          | (255,841)                                      | (385,004)                                      |
| Depreciation                                                | 1,079                                          | 1,585                                          |
| Interest received                                           | (45,211)                                       | (35,832)                                       |
| Deferred tax liability written back                         | (555)                                          |                                                |
| Unamortised expenditure written off                         | -                                              | -                                              |
| <b>Operating profit before working capital changes</b>      | <b>(300,528)</b>                               | <b>(419,251)</b>                               |
| Adjustment for working capital:                             |                                                |                                                |
| -Decrease/(Increase) in other current assets                | (23,289)                                       | (10,070)                                       |
| - Decrease/(Increase) in Short term loans and advances      | -                                              | -                                              |
| - Decrease/(Increase) in inventories                        | 110,792                                        | 170,882                                        |
| -Increase/(Decrease) in other current liabilities           | 3,760                                          | 31,921                                         |
| <b>Cash from operating activities</b>                       | <b>(209,265)</b>                               | <b>(226,518)</b>                               |
| Tax paid during the year                                    | (913)                                          | (3,592)                                        |
| <b>Net cash from operating activities</b>                   | <b>(A) (210,178)</b>                           | <b>(230,110)</b>                               |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>               |                                                |                                                |
| Addition to fixed assets                                    | -                                              | -                                              |
| Deposits with original maturity of more than 3 months       | (18,064)                                       | (28,314)                                       |
| Interest received                                           | 45,211                                         | 35,832                                         |
| <b>Net cash from Investing activities</b>                   | <b>(B) 27,147</b>                              | <b>7,518</b>                                   |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>               |                                                |                                                |
| Increase/(Decrease) in long term borrowings                 | 227,000                                        | 200,000                                        |
| <b>Net cash from financing activities</b>                   | <b>(C) 227,000</b>                             | <b>200,000</b>                                 |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>(A+B+C) 43,969</b>                          | <b>(22,592)</b>                                |
| Cash and cash equivalents - Opening balance                 | 38,857                                         | 61,449                                         |
| Cash and cash equivalents - Closing balance                 | 82,826                                         | 38,857                                         |
|                                                             | 0                                              | -                                              |

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

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

Deora & Associates  
Chartered Accountants  
By the hand of

Arun Deora  
Partner  
Membership No. 087729



Directors

Aman Sarin (DIN 00015887)  
28, Sri Ram Road, Civil Lines, New Delhi-110054

Jayanti Sarin (DIN 01746447)  
28, Sri Ram Road, Civil Lines, New Delhi-110054

May 16, 2014  
Delhi