



T. N. Gala & Associates

CHARTERED ACCOUNTANTS

30, Hazi Habib Bldg., A - Wing, 2nd Floor, Naigaon Cross Road,
Dadar, Mumbai - 400 014. Tel.: 2411 4369, 24121057

AUDITORS REPORT

To
The Shareholders,
Arihant Aashiyana Pvt. Ltd.

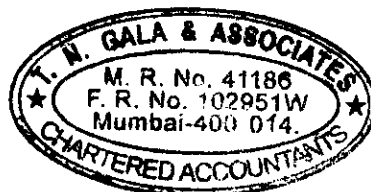
We have audited the attached Balance Sheet of **ARIHANT AASHIYANA PVT. LTD.** as on 31st March 2012 and also the annexed Statement of Profit and Loss and Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have conducted our audit in accordance with Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain responsible assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statement. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a responsible basis for our opinion.

1. The Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) 227 of the Companies Act, 1956, is not applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
 - a) 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;
 - b) In our opinion, proper Books of Account, as required by Law, have been kept by the Company so far as appears from our examination of Books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of Account
 - d) In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement complies with the Mandatory Accounting Standards referred in Section 211(3C) of the Companies Act, 1956.
 - e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, and according to the information and explanation given to us, none of the Directors are prima facie disqualified as on March 31st, 2012 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of Act.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view:-
 - i. In the case of Balance Sheet of the State of affairs of the company as at 31st March, 2012;
 - ii. In the case of the Statement of Profit and Loss, profit for the year ended on that date;
 - iii. In the case of the Cash Flow Statement, cash flows for the year ended on that date

Place: Navi Mumbai
Date: 31.08.2012

For T N Gala & Associates
Chartered Accountants
FRN: 102951W



Talakchand N. Gala
Proprietor
MRN: 41186

ARIHANT AASHIYANA PRIVATE LIMITED

BALANCE SHEET AS AT 31 MARCH 2012

		(Amount in Rs)	
	Notes	31-Mar-12	31-Mar-11
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	74,753	-
		<u>174,753</u>	<u>100,000</u>
2 Current liabilities			
(a) Short-term borrowings	6	102,324,923	30,500
(b) Trade payables	7	43,683,398	-
(c) Other current liabilities	7	238,722	16,545
(d) Short-term provisions	5	40,721	-
		<u>146,287,764</u>	<u>47,045</u>
TOTAL		<u><u>146,462,517</u></u>	<u><u>147,045</u></u>
II ASSETS			
1 Non-current assets			
(a) Deferred tax assets (net)	8	7,292	-
		<u>7,292</u>	<u>-</u>
2 Current assets			
(a) Inventories	11	2,263,603	-
(b) Cash and cash equivalents	12	3,944,560	100,535
(c) Short-term loans and advances	9	1,322,954	-
(d) Other current assets	10	138,924,108	46,510
		<u>146,455,225</u>	<u>147,045</u>
TOTAL		<u><u>146,462,517</u></u>	<u><u>147,045</u></u>
See accompanying notes to the financial statements		-	-

As per our report of even date

For T N Gala & Associates

Chartered Accountants

FRN: 102951W

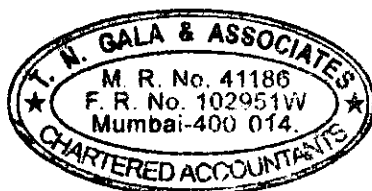
Talakchand N. Gala

Proprietor

MRN: 41186

Place: Navi Mumbai

Date: 31/08/2012



For & on behalf of the board

Director

Director

Place: Navi Mumbai

Date: 31/08/2012



ARIHANT AASHIYANA PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2012

		(Amount in Rs)	
	Notes	31-Mar-12	31-Mar-11
Income			
Revenue from operations	13	229,540	-
Total Revenue		229,540	-
Expenses			
Cost of Construction , Land & Development Expenses	14	124,800	-
Changes in work-in-progress	15	(2,263,603)	-
Finance costs	16	2,165,841	45
Other expenses	17	77,310	16,965
Total expenses		104,348	17,010
Profit / (Loss) before exceptional and extraordinary items and tax		125,192	(17,010)
Exceptional items		17,010	17,010
Profit / (Loss) before extraordinary items and tax		108,182	-
Extraordinary Items		-	-
Profit / (Loss) before tax		108,182	-
Tax expense:			
Current tax		40,721	-
Deferred tax Asset		(7,292)	-
Profit / (Loss) for the period		74,753	-
Earnings per equity share:	19		
(1) Basic		7.48	-
(2) Diluted		7.48	-
See accompanying notes to the financial statements			

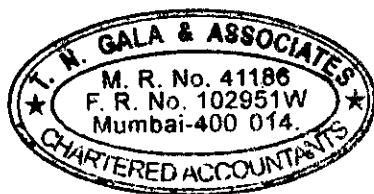
As per our report of even date

For T N Gala & Associates
Chartered Accountants
FRN: 102951W

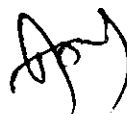


Talakchand N. Gala
Proprietor
MRN: 41186

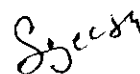
Place: Navi Mumbai
Date: 31/08/2012



For & on behalf of the board



Director



Director

Place: Navi Mumbai
Date: 31/08/2012



ARIHANT AASHIYANA PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR 31ST MARCH 2012

	(Amount in Rs)	
	31-Mar-12	31-Mar-11
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	108,182	-
Add: <u>Non cash items</u>		
Preliminary expenses w/off	29,500	-
Exceptional items	17,010	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	154,692	-
(Increase)/ decrease in trade & other receivable	(142,510,665)	(46,510)
Increase/ (decrease) in current liabilities & provision	43,905,575	16,545
NET CASH FLOW AFTER EXTARORDINARY ITEMS	(A) <u>(98,450,398)</u>	<u>(29,965)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
NET CASH USED FOR INVESTING ACTIVITIES	(B) -	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	100,000
Increase/(decrease) in unsecured loans	102,294,423	30,500
NET CASH FROM FINANCING ACTIVITIES	(C) <u>102,294,423</u>	<u>130,500</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) <u>3,844,025</u>	<u>100,535</u>
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	100,535	-
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	3,944,560	100,535
	<u>3,844,025</u>	<u>100,535</u>

As Per Report of Even Date

For T N Gala & Associates

Chartered Accountants

FRN: 102951W

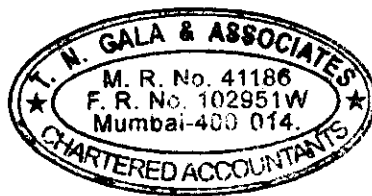
Talakchand N. Gala

Proprietor

MRN: 41186

Place: Navi Mumbai

Date: 31/08/2012



For and on behalf of the Board

Director

Director

Place: Navi Mumbai

Date: 31/08/2012



ARIHANT AASHIYANA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 CORPORATE INFORMATION

Arihant Aashiyana private limited (the company) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged primarily in the business of Construction Contracts, Trading in Real Estate and Real Estate Development.

2 BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a Change in presentation and disclosure of financial statements

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

b Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c Revenue recognition

All revenue and expenditures are generally accounted on accrual basis as they are earned or incurred.

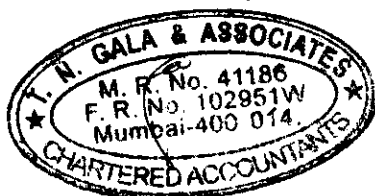
d Inventories

i. Construction materials and consumables

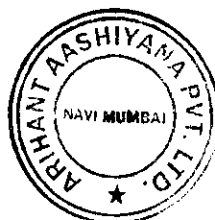
The construction materials and consumables are valued at lower of cost or net realisable value. The construction materials and consumables purchased for construction work issued to the construction work-in-progress are treated as consumed.

ii. Construction work-in-progress

The construction work-in-progress is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditures, allocated overheads and other incidental expenses.



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ARIHANT AASHIYANA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

e Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

e Taxation

Tax expense comprises current and deferred tax. Current tax is measured on the basis of taxable income determined in accordance with the provisions of Income-tax Act, 1961.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

f Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

g Provisions

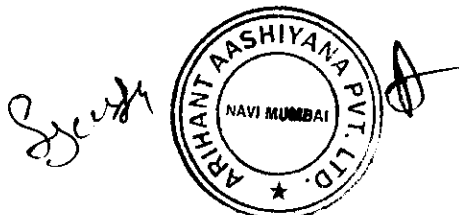
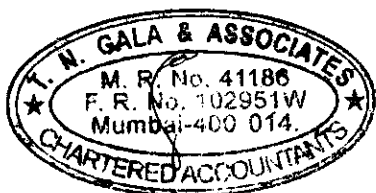
A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

h Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

i Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



ARIHANT AASHIYANA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

3 SHARE CAPITAL	(Amount in Rs)	
	31-Mar-12	31-Mar-11
Authorised share capital 100000 (31 March 2011 :100000) Equity Shares of Rs. 10/- each	1,000,000	1,000,000
Issued, subscribed and fully paid-up shares 10000 (31 March 2011 : 10000) Equity Shares of Rs. 10/- each	100,000	100,000
Total issued, subscribed and fully paid-up share capital	100,000	100,000

a. Reconciliation of the shares outstanding at the beginning and at the end of reporting period

Equity Shares	31-Mar-12		31-Mar-11	
	No.	Amount in Rs	No.	Amount in Rs
At the beginning of the period	10,000	100,000	10,000	100,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000	100,000	10,000	100,000

b. Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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 the shareholders.

c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates

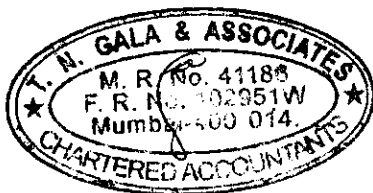
Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

	31-Mar-12	31-Mar-11
Arihant Universal Realty Private Limited, the holding company 5100 (31March 2011 : 5100) equity shares of Rs. 10 each fully paid	51,000	51,000

d. Details of shareholders holding more than 5% shares in the company

	31-Mar-12		31-Mar-11	
	No.	% holding in the class	No.	% holding in the class
Equity Shares of Rs. 10 each fully paid				
Arihant Universal Realty Private Limited	5,100	51.00%	5,100	51.00%
Ashok B. Chhajer	3,900	39.00%	3,900	39.00%
Sangeeta Chhajer	1,000	10.00%	500	5.00%
Lalit Bothra	-	-	500	5.00%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



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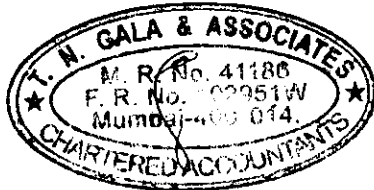


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ARIHANT AASHIYANA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	(Amount in Rs)	
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
4 RESERVES & SURPLUS		
Surplus / (deficit) in the statement of profit and loss	-	-
Balance as per last financial statements profit for the year	74,753	-
Profit for the year	74,753	-
Less: Appropriations	74,753	-
Net surplus in the statement of profit and loss	<u>74,753</u>	<u>-</u>
Total reserves and surplus	<u>74,753</u>	<u>-</u>
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
5 PROVISIONS		
Short Term		
Provision for Tax	40,721	-
	<u>40,721</u>	<u>-</u>
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
6 SHORT-TERM BORROWINGS		
Unsecured loan and advances from related parties (refer note 20)	102,324,923	30,500
	<u>102,324,923</u>	<u>30,500</u>
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
7 OTHER CURRENT LIABILITIES		
Trade payables	43,683,398	-
	<u>43,683,398</u>	<u>-</u>
Other liabilities		
Audit Fees Payable	11,236	11,030
Professional Fees Payable	5,618	5,515
TDS payable	221,868	-
	<u>238,722</u>	<u>16,545</u>
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
8 DEFERRED TAX ASSETS (NET)		
Deferred tax asset		
on account of Preliminary Expenses	7,292	-
Net deferred tax asset	<u>7,292</u>	<u>-</u>



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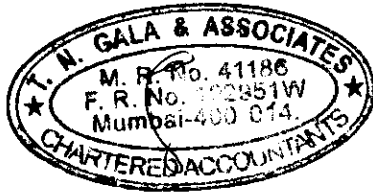


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ARIHANT AASHIYANA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	(Amount in Rs)	
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
9 LOANS & ADVANCES		
<u>Short Term</u>		
Capital advances		
Advance for Land - Mahodar	1,300,000	-
Other loans and advances		
TDS Receivable	22,954	-
	<u>1,322,954</u>	<u>-</u>
10 OTHER ASSETS	<u>31-Mar-12</u>	<u>31-Mar-11</u>
<u>Short Term</u>		
Preliminary expenses (to the extent not w/off)	-	29,500
Preoperative expense	-	17,010
Land Cost - Ghot	138,924,108	-
	<u>138,924,108</u>	<u>46,510</u>
11 INVENTORIES	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Work-in-progress	2,263,603	-
	<u>2,263,603</u>	<u>-</u>
12 CASH & BANK BALANCES	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Cash and cash equivalents		
Bank balance current account with Federal Bank Limited	3,933,432	99,955
Cash on hand	11,128	580
	<u>3,944,560</u>	<u>100,535</u>



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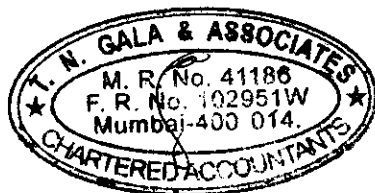


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ARIHANT AASHIYANA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	(Amount in Rs)	
	31-Mar-12	31-Mar-11
13 Revenue from operations		
Other Operating Revenue		
Brokerage income	229,540	-
	<u>229,540</u>	<u>-</u>
14 COST OF CONSTRUCTION, LAND AND DEVELOPMENT EXPENSES		
Direct Expenses	124,800	-
Details of Direct Expenses		
Ghot	99,050	-
Mahodar	25,750	-
	<u>124,800</u>	<u>-</u>
15 (INCREASE) / DECREASE IN INVENTORIES		
Work In progress at the end of the year	2,263,603	-
Work In Progress at the beginning of the year	-	-
	<u>(2,263,603)</u>	<u>-</u>
Detail of Work-in-progress		
Ghot	2,218,024	-
Mahodar	45,579	-
	<u>2,263,603</u>	<u>-</u>
16 FINANCE COSTS		
Interest on Loan	2,138,803	-
Bank charges	27,038	45
	<u>2,165,841</u>	<u>45</u>
17 OTHER EXPENSES		
Audit fees	11,236	11,030
Professional fees	5,618	5,515
General expense	282	-
ROC fees	6,600	-
Printing & stationery	270	-
Legal expenses	-	420
Advertisement expense	23,804	-
Preliminary Expenses	29,500	-
	<u>77,310</u>	<u>16,965</u>
Payment to auditor		
As auditor:		
Audit fee	11,236	11,030
In Other Capacity		
Taxation matters	5,618	-
	<u>16,854</u>	<u>11,030</u>
19 EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic EPS & diluted EPS		
Profit/(loss) after tax for calculation of Basic & Diluted EPS	74,753	-
Weighted average number of equity shares in calculating Basic and DilutedEPS	10,000	10,000



Secretary



[Signature]

ARIHANT AASHIYANA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Rs)

20 RELATED PARTY DISCLOSURE

Names of related parties and related party relationship

a. Related parties

Name

Arihant Universal Realty Pvt. Ltd.

Akshay Agarwal

Ashok B. Chhajaj

Relationship

Holding Company

Director and key Management Personal

Relative of Director

Related party transactions

b. Loans given/taken and repayment thereof

<u>Name</u>	<u>Opening Balance</u>	<u>Loans taken</u>	<u>Repayment</u>	<u>Interest accrued</u>	<u>Amount payable</u>
Arihant Universal Realty Pvt. Ltd.	30,500	-	30,500	-	-
Akshay Agarwal	-	19,300,000	-	175,436	19,475,436
Ashok B. Chhajaj	-	90,900,000	9,800,000	1,749,487	82,849,487
Total	30,500	110,200,000	9,830,500	1,924,923	102,324,923

21 The Company has not received any intimation from any supplier who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2012.

22 SEGMENT INFORMATION

The Company operates in a single business and geographical segment i.e. "Construction and Allied Activities" within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required as per AS 17 issued by ICAI.

- 23 In our opinion there are no contingent liabilities as on year end.
- 24 In our opinion there are no commitments outstanding as on year end.
- 25 In our opinion loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 26 Balances of certain loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's Financial Statements on such reconciliation / adjustments.
- 27 The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, preredvised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification.
- 28 The Company has been incorporated on 8th October 2010 and hence the figures of the previous years correspond to three months activity only.

As per our report of even date

For T N Gala & Associates

Chartered Accountants

FRN: 102951W

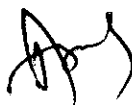


Talakchand N. Gala

Proprietor

MRN: 41186

For and on behalf of the Board



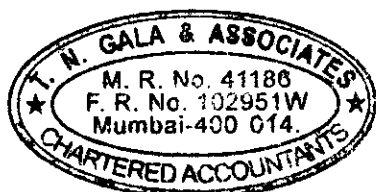
Director



Director

Place: Navi Mumbai

Date: 31/08/2012



Place: Navi Mumbai

Date: 31/08/2012

