



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

Independent Auditor's Report

To the Members of Arihant Gruhnirman Private Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **ARIHANT GRUHNIRMAN PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

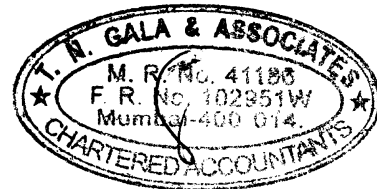
Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in the accordance with Accounting Standard referred in sub-section (3C) of section 211 of the Companies Act of 1956 ("the Act"). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conduct our audit in accordance with the standard 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 assessment, 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 the management, as well as evaluating the overall presentation of Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India:

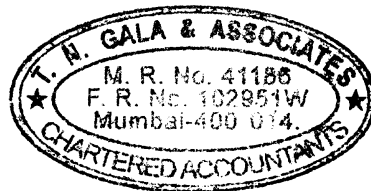
- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2013;
- ii. In the case of the Statement of Profit & Loss, of the profit for the year ended on that date.
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirement

1. The Companies (Auditors' Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, is not applicable to the Company.
2. As required by section 227(3) of the Act, we report 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 & 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 & Loss and Cash Flow Statement comply with the Accounting Standards referred in sub-section (3C) of the Section 211 of the Companies Act, 1956; and
 - e) On the basis of the written representations received from the Directors as on 31 March 2013 and taken on record by the Board of Directors, and none of directors is disqualified as on 31 March 2013 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place: Navi Mumbai
Date: 10.05.2013

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




Talakchand N. Gala
Proprietor
MRN: 41186

ARIHANT GRUHNIRMAN PRIVATE LIMITED

BALANCE SHEET AS AT

		(Amount in Rs.)	
	Notes	31-Mar-13	31-Mar-12
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	48,166	15,835
		<u>148,166</u>	<u>115,835</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	27,453,818	-
		<u>27,453,818</u>	<u>-</u>
3 Current liabilities			
(a) Short-term provisions	6	-	5,586
(b) Short-term borrowings	5	45,956,360	64,594,780
(c) Other current liabilities	7	454,091	627,260
		<u>46,410,451</u>	<u>65,227,626</u>
TOTAL		<u><u>74,012,435</u></u>	<u><u>65,343,461</u></u>
II ASSETS			
1 Non-current assets			
(a) Deferred tax assets	8	5,469	7,292
		<u>5,469</u>	<u>7,292</u>
2 Current assets			
(a) Trade receivables	9	261,495	-
(b) Short-term loans and advances	10	73,116,613	64,984,922
(c) Cash and cash equivalents	11	628,858	351,247
		<u>74,006,966</u>	<u>65,336,169</u>
TOTAL		<u><u>74,012,435</u></u>	<u><u>65,343,461</u></u>
See accompanying notes to the financial statements			

As per our report of even date

For T N Gala & Associates

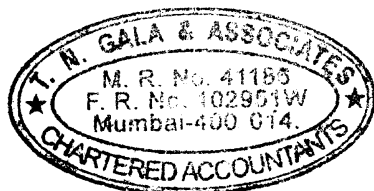
Chartered Accountants

FRN: 102951W

Talakchand N. Gala

Proprietor

MRN: 41186



For & on behalf of the board

Director

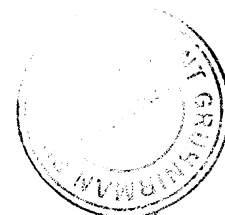
Director

Place: Navi Mumbai

Date: 10.05.2013

Place: Navi Mumbai

Date: 10.05.2013



ARIHANT GRUHNIRMAN PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED

		(Amount in Rs.)	
	Notes	31-Mar-13	31-Mar-12
Income			
Revenue from operations	12	290,550	87,870
Total Revenue		<u>290,550</u>	<u>87,870</u>
Expenses			
Finance costs	13	(8,379)	4,992
Other expenses	14	252,131	43,372
Total expenses		<u>243,752</u>	<u>48,364</u>
Profit / (Loss) before exceptional and extraordinary items and tax		46,798	39,506
Exceptional items		-	(16,590)
Profit / (Loss) before extraordinary items and tax		46,798	22,916
Extraordinary Items		-	-
Profit / (Loss) before tax		<u>46,798</u>	<u>22,916</u>
Tax expense:			
Current tax		12,640	14,373
Short Provision of Tax (earlier year)		4	-
Deferred tax		1,823	(7,292)
Profit / (Loss) for the period from continuing operations		<u>32,331</u>	<u>15,835</u>
Earnings per equity share:	15		
(1) Basic		3.23	1.58
(2) Diluted		3.23	1.58
See accompanying notes to the financial statements			

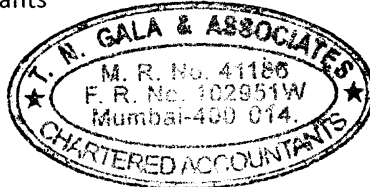
As per our report of even date

For T N Gala & Associates

Chartered Accountants

FRN: 102951W

Talakchand N. Gala
Proprietor
MRN: 41186



For & on behalf of the board

Director

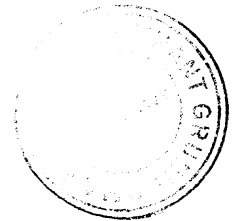
Director

Place: Navi Mumbai

Date: 10.05.2013

Place: Navi Mumbai

Date: 10.05.2013



ARIHANT GRUHNIRMAN PVT LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED

		(Amount in Rs.)	
		31-Mar-13	31-Mar-12
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax and Extraordinary Items		46,798	22,916
Add: <u>Non Cash Items</u>			
Preliminary & Non cash expenses		-	46,090
Operating profit before working capital change		46,798	69,006
(Increase)/ Decrease in Trade & Other Receivable		(8,371,185)	(64,976,135)
Increase/ (Decrease) in Current Laibilities & Provision		(178,755)	601,928
Cash generated from Operations		(8,503,142)	(64,305,201)
Less: Tax Paid net of Refunds		34,645	8,787
CASH FLOW BEFORE EXTARORDINARY ITEMS	A	(8,537,787)	(64,313,988)
NET CASH USED FOR INVESTING ACTIVITIES	B	-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Unsecured Loans		8,815,398	64,565,280
NET CASH FROM FINANCING ACTIVITIES	C	8,815,398	64,565,280
NET INCREASE IN CASH AND CASH EQUIVALENTS	A + B + C	277,611	251,292
CASH AND CASH EQUIVALENTS (opening balance)		351,247	99,955
CASH AND CASH EQUIVALENTS (closing balance)		628,858	351,247
		277,611	251,292
		-	-

As per our report of even date

For T N Gala & Associates

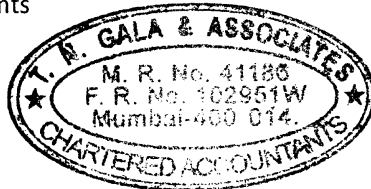
Chartered Accountants

FRN: 102951W

Talakchand N. Gala

Proprietor

MRN: 41186



For & on behalf of the board

Director

Director

Place: Navi Mumbai

Date: 10.05.2013

Place: Navi Mumbai

Date: 10.05.2013



ARIHANT GRUHNIRMAN PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1 CORPORATE INFORMATION

Arihant Gruhanirman 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. The operations of the Company span in all aspects of real estate development, from the identification and acquisition of land, planning, execution, construction and marketing of projects.

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

2.1 Summary of significant accounting policies

a 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.

b Revenue recognition

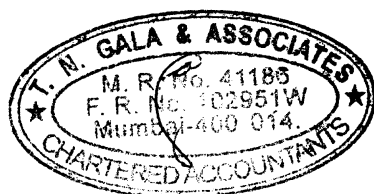
All revenue and expenditures are generally accounted on accrual basis as they are earned or incurred.

c Taxation

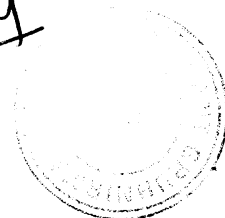
Tax expense comprises current and deferred tax. Current tax is measured on the basis of taxable income determined in accordance with the provisions of Income-tax Act, 1961.

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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.



Screen 14



ARIHANT GRUHNIRMAN PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

d Borrowing costs

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 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.

f 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.

g 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.

h 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.



Secretary

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ARIHANT GRUHNIRMAN PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in Rs.)

3 SHARE CAPITAL

	31-Mar-13	31-Mar-12
Authorised Share Capital	1,00,000	1,00,000
1,00,000 (31 March 2012: 1,00,000) Equity Shares of Rs. 10/- each	1,00,000	1,00,000
Issued, subscribed and fully paid-up shares		
10,000 (31 March 2012: 10,000) 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-13		31-Mar-12	
	No.	Rs.	No.	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 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, are as below:

	31-Mar-13	31-Mar-12
M/s Arihant Superstructures Limited, the holding company		
6,000 (31 March 2012: 6,000) equity shares of Rs. 10 each fully paid	60,000	60,000
	60,000	60,000

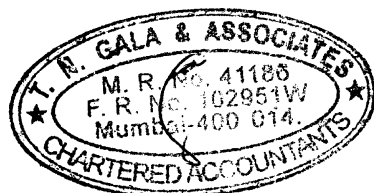
c Details of shareholders holding more than 5% shares in the company

	31-Mar-13		31-Mar-12	
	No.	% holding	No.	% holding
Equity Shares of Rs. 10 each fully paid				
M/s Arihant Superstructures Limited	6,000	60.00%	6,000	60.00%
Mr. Akshay Agarwal	550	5.50%	450	4.50%
Mrs. Sangeeta Chhajer	1,300	13.00%	80	0.80%
Mr. Lalit Bothra	650	6.50%	975	9.75%
Mr. Abhishek Balar	-	0.00%	650	6.50%
Mr. Sujata Agarwal	850	8.50%	650	6.50%

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.

4 RESERVES & SURPLUS

	31-Mar-13	31-Mar-12
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	15,835	-
Profit for the Year	32,331	15,835
Total reserves and surplus	48,166	15,835



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ARIHANT GRUHNIRMAN PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in Rs.)

5 BORROWINGS

	Long Term		Short Term	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Loan and advances from related parties (unsecured) (refer note 16)	19,953,818	-	42,248,576	54,732,186
Loan and advances from Body Corporates	7,500,000	-	3,707,784	9,862,594
	<u>27,453,818</u>	<u>-</u>	<u>45,956,360</u>	<u>64,594,780</u>

6 PROVISIONS

	31-Mar-13	31-Mar-12
<u>Short Term</u>		
Provision for Tax	-	5,586
	<u>-</u>	<u>5,586</u>

7 OTHER CURRENT LIABILITIES

TDS payable	216,810	621,642
Audit fees payable	15,169	5,618
Kamath Corporate Consulting Pvt Ltd	12,000	-
Professional Fees Payable	10,112	-
Future Advance Bookings	200,000	-
	<u>454,091</u>	<u>627,260</u>

8 DEFERRED TAX ASSETS

Deferred tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	5,469	7,292
Others	-	-
Net deferred tax asset	<u>5,469</u>	<u>7,292</u>

9 TRADE RECEIVABLE & OTHER CURRENT ASSETS

TRADE RECEIVABLES

Short Term

Unsecured, considered good unless stated otherwise

Outstanding for a period less than six months from the date they are due for

	216,495	-
	<u>216,495</u>	<u>-</u>

10 LOANS & ADVANCES

Short Term

Advance for Khargar Land (Plot No. 5, Sec 29)	31,623,641	27,869,624
Advance for Land Panvel (Takka)	2,765,406	2,436,955
Advance for Land Bhandup (CTS No. 203pt)	1,024,579	-
Advance for Ulwe Plot	37,686,572	33,209,843
Balance with Tax Authorities		
Advance tax / TDS (net of Provision)	16,415	-
Advances recoverable in cash or kind (Unsecured considered good)		
Stamp Duty & Registration Juveli- Receivable	-	1,468,500
	<u>73,116,613</u>	<u>64,984,922</u>

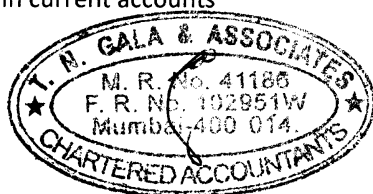
11 CASH & BANK BALANCES

Current

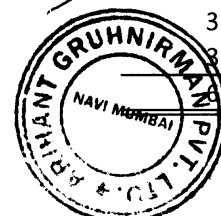
Cash and cash equivalents

Balance with banks in current accounts

Cash on hand



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	315,505	234,501
	813,353	116,746
	<u>1,128,858</u>	<u>351,247</u>

ARIHANT GRUHNIRMAN PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
12 REVENUE FROM OPERATIONS		
Brokerage income	290,550	87,870
	<u>290,550</u>	<u>87,870</u>
13 FINANCE COSTS		
Bank charges	(8,379)	4,992
	<u>(8,379)</u>	<u>4,992</u>
14 OTHER EXPENSES		
Auditor's Remuneration	78,652	5,618
Sundry Balance Written Off	146,850	-
General Expenses	93	154
Preliminary Expenses	-	29,500
Professional Fees	23,236	-
ROC fees	3,300	7,500
Stamping, Notrisation & Franking Expenses	-	600
	<u>252,131</u>	<u>43,372</u>
Payment to auditor		
As auditor:		
Audit fee	33,708	5,618
In other Capacity :		
Certification Matter	44,944	-
	<u>78,652</u>	<u>5,618</u>
15 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	32,331	15,835
Weighted average number of equity shares in calculating Basic and Diluted EPS	10,000	10,000
Basic & Diluted EPS	<u>3.23</u>	<u>1.58</u>

16 RELATED PARTY DISCLOSURE

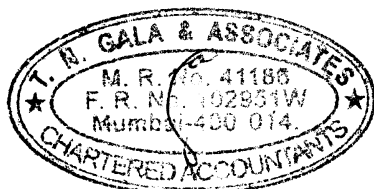
Names of related parties and related party relationship

a. Related parties who exercise control

<u>Sr</u>	<u>Name of Party</u>	<u>Relationship</u>
1	Arihant Superstructures Limited	Holding Company

b. Key Management Personal and relatives thereof

<u>Sr</u>	<u>Name of Party</u>	<u>Relationship</u>
1	Mr. Ashok B. Chhajer	Director & Key Management Personal
2	Marnite Shoppe Pvt. Ltd.	Enterprise in which KMP has significant influence
3	Jagprem Chemicals Pvt Ltd	Enterprise in which KMP has significant influence



ARIHANT GRUHNIRMAN PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Related party transactions

a. Loans given/taken and repayment thereof

<u>Sr</u> <u>Name</u>	<u>Opening</u> <u>Balance</u>	<u>Loans taken</u>	<u>Repayment</u>	<u>Interest</u> <u>accrued (net</u> <u>of TDS)</u>	<u>Amount</u> <u>payable to</u> <u>Related</u> <u>parties</u>
1 Arihant Superstructures Ltd	-	2,250,000	-	203,818	2,453,818
2 Mr. Ashok B. Chhajer	35,006,996	34,750,000	36,000,000	3,914,162	37,671,158
3 Jagprem Chemicals Pvt Ltd	9,859,710	-	-	1,175,770	11,035,480
4 Marnite Shoppe Pvt. Ltd.	9,865,480	-	-	1,176,458	11,041,938
	<u>54,732,186</u>	<u>37,000,000</u>	<u>36,000,000</u>	<u>6,470,208</u>	<u>62,202,394</u>

17 In our opinion, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2013.

18 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.

18 Company has capitalised borrowing cost amounting to Rs.8,683,776/- during the year. The said borrowing cost is added to advances granted for acquisition of land, in proportion to the advances, shown under head Loans and Advances.

19 There are no contingent liabilities as on year end.

20 There are no commitments outstanding as on year end.

21 In our opinion; current assets, loans, advances and deposits 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.

22 Balances of certain sundry debtors, sundry creditors, 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.

23 Previous year figures have been regrouped and rearranged wherever necessary to confirm with the current year presentation.

As per our report of even date

For T N Gala & Associates

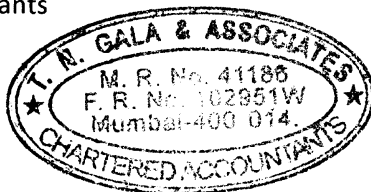
Chartered Accountants

FRN: 102951W

Talakchand N. Gala

Proprietor

MRN: 41186



For & on behalf of the board

Director

Director

Place: Navi Mumbai

Date: 10.05.2013

Place: Navi Mumbai

Date: 10.05.2013

