

॥ अहिंसा परमो धर्मः ॥



# T. N. Gala & Associates

CHARTERED ACCOUNTANTS

30, Hazi Habib Bldg., A - Wing, 2nd Floor, Naigaon Cross Road  
Dadar, Mumbai - 400 014. Tel.: 2411 4369, 2412105

## Independent Auditor's Report

To the Members of Arihant Vatika Realty Private Limited

### Report on the Financial Statements

We have audited the accompanying Financial Statements of **ARIHANT VATIKA REALTY PRIVATE LIMITED** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> 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:

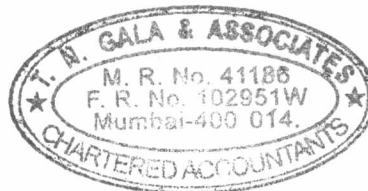
- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2013;
- ii. In the case of the Statement of Profit & Loss, of the profit for the year ended on that date.
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that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

BALANCE SHEET AS AT

	Notes	(Amount in Rs.)	
		31-Mar-13	31-Mar-12
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	20,129	60,788
		<u>120,129</u>	<u>160,788</u>
<b>2 Non-Current liabilities</b>			
(a) Long term borrowings	5	54,302,907	-
(b) Deferred Tax Liabilities / (Assets)	6	40,524	(135)
(c) Long term provisions	7	132,409	-
		<u>54,475,840</u>	<u>(135)</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	5	47,232,536	78,510,053
(b) Trade payables	8	4,947,099	14,374,280
(c) Other current liabilities	8	129,524,632	360,043
		<u>181,704,267</u>	<u>93,244,376</u>
<b>TOTAL</b>		<u><u>236,300,236</u></u>	<u><u>93,405,029</u></u>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	9	2,036,564	69,433
(ii) Intangible Assets	10	57,039	-
		<u>2,093,603</u>	<u>69,433</u>
<b>2 Current assets</b>			
(a) Inventories	11	129,991,580	27,108,721
(b) Cash and cash equivalents	12	26,267,717	538,815
(c) Short-term loans and advances	13	1,410,756	128,480
(d) Other current assets	14	76,536,580	65,559,580
		<u>234,206,633</u>	<u>93,335,596</u>
<b>TOTAL</b>		<u><u>236,300,236</u></u>	<u><u>93,405,029</u></u>

See accompanying notes to the financial statements

As per our report of even date

For T N Gala & Associates

Chartered Accountants

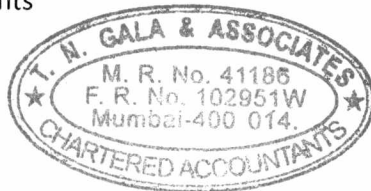
FRN: 102951W



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 VATIKA REALTY PVT LTD

## STATEMENT OF PROFIT & LOSS AS AT

		(Amount in Rs.)	
	Notes	31-Mar-13	31-Mar-12
<b>Income</b>			
Revenue from operations	15	2,046,966	123,500
Other income	16	-	893
Total Revenue		<u>2,046,966</u>	<u>124,393</u>
<b>Expenses</b>			
Cost of construction, land and development expenses	17	77,347,695	11,165,974
(Increase)/ Decrease in inventories of finished goods work-in-progress and Stock-in-Trade	18	(102,882,859)	(11,988,777)
Employee benefits expense	19	6,017,073	452,982
Finance costs	20	12,896,669	14,888
Depreciation and amortization expense	9, 10	212,031	8,143
Other expenses	21	8,456,357	417,220
Total expenses		<u>2,046,966</u>	<u>70,430</u>
Profit / (Loss) before exceptional and extraordinary items and tax		-	53,963
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		-	53,963
Extraordinary Items		-	-
<b>Profit / (Loss) before tax</b>		-	53,963
Tax expense:			
Current tax		-	18,267
Deferred tax		40,659	(1,592)
<b>Profit / (Loss) for the period</b>		<u>(40,659)</u>	<u>37,288</u>
Earnings per equity share:	22		
(1) Basic		(4.07)	3.73
(2) Diluted		(4.07)	3.73
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 VATIKA REALTY PVT LTD

## CASH FLOW FOR THE YEAR ENDED

PARTICULARS	(Amount in Rs.)	
	31-Mar-13	31-Mar-12
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	-	53,963
Add: Non Cash Items		
Depreciation	212,031	8,143
Gratuity Provision	132,409	-
Preliminary Expenses W/off	-	15,880
Less: Non Operating Incomes		
Other income	-	(893)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL</b>	<u>344,440</u>	<u>77,093</u>
(Increase)/ Decrease in Trade & Other Receivable	(115,142,135)	(48,751,320)
Increase/ (Decrease) in Current Liabilities & Provision	118,005,478	14,528,809
<b>CASH GENERATED FROM OPERATIONS (A)</b>	<u>3,207,783</u>	<u>(34,145,418)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase) / Sale of Fixed Assets	(2,236,201)	-
Interest Income	-	893
<b>NET CASH USED FOR INVESTING ACTIVITIES (B)</b>	<u>(2,236,201)</u>	<u>893</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Secured Loans	576,907	-
Increase/(Decrease) in Unsecured Loans	22,722,483	33,562,108
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<u>23,299,390</u>	<u>33,562,108</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<u>24,270,972</u>	<u>(582,417)</u>
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	538,815	1,121,232
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	<u>24,809,787</u>	<u>538,815</u>
	<u>24,270,972</u>	<u>(582,417)</u>

As Per Report of Even Date

For T N Gala & Associates

Chartered Accountants

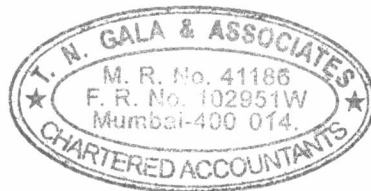
FRN: 102951W



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 VATIKA REALTY PVT LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

## 1 CORPORATE INFORMATION

Arihant Vatika Realty 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

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note) all projects commencing on or after the said date or projects where revenue is recognised for the first time on or after the above date, construction revenue on such projects have been recognised on percentage of completion method provided the following thresholds have been met:

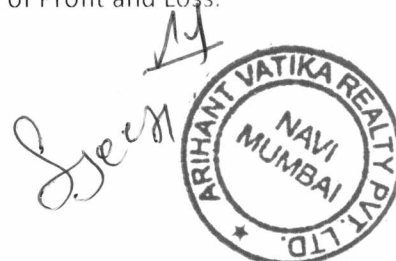
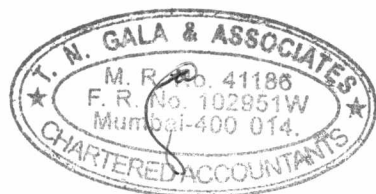
- (a) all critical approvals necessary for the commencement have been obtained;
- (b) the expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;
- (c) at least 25 per cent. of the saleable project area is secured by agreements with buyers; and
- (d) at least 10 per cent. of the agreements are realised at the reporting date in respect of such contracts.

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

#### c Employee Benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.



# ARIHANT VATIKA REALTY PVT LTD

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 Tangible fixed asset

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs and directly attributable cost for bringing the asset to its working condition or the intended use.

### Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a Straight-Line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

## f Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the company amortizes the intangible asset over the best estimate of its useful life.

## g Impairment of Assets

The company assesses once in three years whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## h Inventories

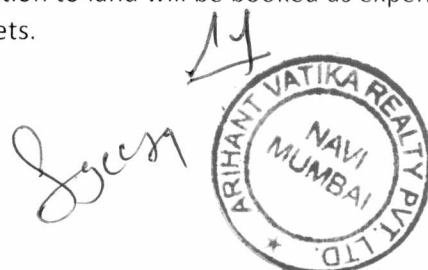
### i. Construction materials and consumables

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

### ii. Incomplete Projects / Construction work-in-progress

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

Cost of land, development rights and other directly attributable cost in relation to land will be booked as expenses when revenue will be recognised, till then the same is treated as Other Assets.



# ARIHANT VATIKA REALTY PVT LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

## i 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.

## j 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.

## k Provisions

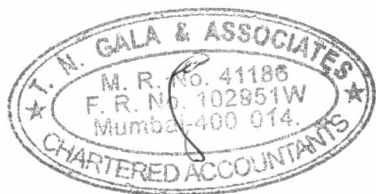
A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted 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.

## l 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.

## m 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 VATIKA REALTY PVT LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in Rs.)

## 3 SHARE CAPITAL

Authorised Share Capital	31-Mar-13	31-Mar-12
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 - Bonus	-	-	-	-
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. The company declares and pays dividend in INR. The 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 the shareholders.

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

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

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

### d. 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%
Mrs. Sujata Agarwal	1,570	15.70%	1,570	15.70%
Mr. Akshay Agarwal	1,150	11.50%	1,150	11.50%

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	60,788	23,500
Profit for the year	(40,659)	37,288
Less: Appropriations	-	-
Total reserves and surplus	20,129	60,788



# ARIHANT VATIKA REALTY PVT LTD

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
Secured Loans				
From financial institutions (secured)	576,907	-	-	-
Unsecured loan and advances from related parties (refer note 23)	53,000,000	-	42,010,049	72,950,539
Unsecured loan and advances from body corporates	1,000,000		5,222,487	5,559,514
	<u>54,576,907</u>	<u>-</u>	<u>47,232,536</u>	<u>78,510,053</u>
Less: Current maturities of long term borrowings disclosed under head "other current liabilities" (note 8)	(274,000)	-	-	-
	<u>54,302,907</u>	<u>-</u>	<u>47,232,536</u>	<u>78,510,053</u>

## 6 DEFERRED TAX ASSETS (NET)

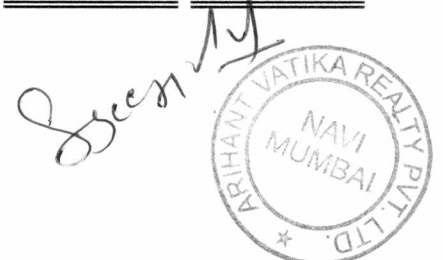
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting			81,438	2,318
Gross deferred tax liability			<u>81,438</u>	<u>2,318</u>
Deferred tax asset				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in future			40,914	2,453
Gross deferred tax asset			<u>40,914</u>	<u>2,453</u>
Net deferred tax liabilities			<u>40,524</u>	<u>(135)</u>

## 7 LONG TERM PROVISIONS

Employee Benefits				
Provision for Gratuity			132,409	-
			<u>132,409</u>	<u>-</u>

## 8 TRADE PAYABLES & OTHER CURRENT LIABILITIES

Trade payables (refer note 24 for details of dues to micro and small enterprises)			4,947,099	14,374,280
			<u>4,947,099</u>	<u>14,374,280</u>
Advance bookings			124,575,513	-
Current maturities of long-term borrowings (note 5)			274,000	-
Balance with banks in current accounts (Book OD)			1,457,930	-
Other current liabilities				
Retention - Anmol			395,097	5,725
Salary payable			457,169	95,800
TDS payable			487,512	207,956
Audit fees payable			65,731	50,562
Service tax			591,660	-
Electricity payable			121,505	-
VAT payable			1,098,515	-
			<u>129,524,632</u>	<u>360,043</u>



# ARIHANT VATIKA REALTY PVT LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in Rs.)

## 9 TANGIBLE ASSETS

Particulars	GROSS BLOCK					Depreciation				NET BLOCK	
	Rate of Depreciation / Amortisation	Cost as on 01.04.2012	Addition	Deduction	As on 31.03.2013	Dep. Upto 31.03.2012	Dep. For the year	Amortised / Written Off	As on 31.03.2013	As on 31.03.2012	As on 31.03.2013
Computer	16.21%	-	639,507	-	639,507	-	72,494	-	72,494	-	567,013
Equipments	4.75%	-	245,919	-	245,919	-	6,515	-	6,515	-	239,404
Vehicles	9.50%	85,720	1,283,670	-	1,369,390	16,287	122,956	-	139,243	69,433	1,230,147
<b>Total</b>		85,720	2,169,096	-	2,254,816	16,287	201,965	-	218,252	69,433	2,036,564

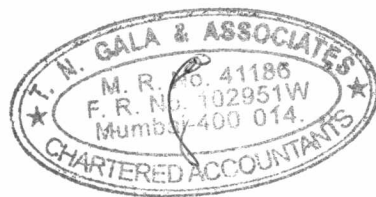
<i>Previous Year Figures</i>		85,720	-	-	85,720	8,144	8,143	-	16,287	77,576	69,433
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## 10 INTANGIBLE ASSETS

Particulars	GROSS BLOCK					Depreciation				NET BLOCK	
	Rate of Depreciation / Amortisation	Cost as on 01.04.2012	Addition	Deduction	As on 31.03.2013	Dep. Upto 31.03.2012	Dep. For the year	Amortised / Written Off	As on 31.03.2013	As on 31.03.2012	As on 31.03.2013
Software	20.00%	-	67,105	-	67,105	-	-	10,066	10,066	-	57,039
<b>Total</b>		-	67,105	-	67,105	-	-	10,066	10,066	-	57,039

<i>Previous Year Figures</i>		-	-	-	-	-	-	-	-	-	-
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There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with AS 28 'Impairment of Assets'.



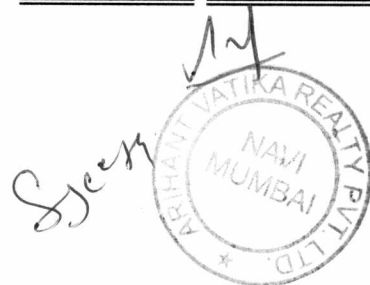
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# ARIHANT VATIKA REALTY PVT LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
<b>11 INVENTORIES</b>		
Incomplete Projects (WIP) (valued at cost) of Arihant Anmol	129,991,580	27,108,721
	<u>129,991,580</u>	<u>27,108,721</u>
<b>12 CASH &amp; BANK BALANCES</b>		
<u>Current</u>		
Cash and cash equivalents		
Balance with banks in current accounts	-	372,875
Cash on hand	897,484	165,940
Other balance with Bank		
Deposit of matured in less than 3 Months	25,370,233	-
	<u>26,267,717</u>	<u>538,815</u>
<b>13 LOANS &amp; ADVANCES</b>		
<u>Short Term</u>	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Deposits		
Deposit Kulgaon badlapur Muncipal Corporation	90,000	85,000
Deposit -Anil Nathuram Tandon (Persipolis Office 410)	350,000	-
Deposit - Seema Anil Tandon (Persipolis Office 410)	300,000	-
MSEDCL Security Deposit	87,883	-
Patil Petroleum (Deposit for Diesel)	50,000	-
Interest Accrued on FD	282,329	-
Balance with Tax Authorities		
Advance tax / TDS (net of provision for tax)	219,944	43,480
Other advances		
Staff Loan	15,400	-
Prepaid expenses	15,200	-
	<u>1,410,756</u>	<u>128,480</u>
<b>14 OTHER CURRENT ASSETS</b>		
Land - Juveli (Anmol)	76,536,580	65,559,580
	<u>76,536,580</u>	<u>65,559,580</u>



# ARIHANT VATIKA REALTY PVT LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(Amount in Rs.)	
	31-Mar-13	31-Mar-12
<b>15 REVENUE FROM OPERATIONS</b>		
Brokerage income	-	123,500
Interest on FD	2,046,966	-
	<u>2,046,966</u>	<u>123,500</u>
<b>16 OTHER INCOME</b>		
Interest on tax refund	-	153
Sundry w/off	-	740
	<u>-</u>	<u>893</u>
<b>17 COST OF CONSTRUCTION, LAND AND DEVELOPMENT EXPENSES</b>		
Purchases (Arihat Anmol)	44,324,538	10,061,924
Direct expenses	33,023,157	1,104,050
	<u>77,347,695</u>	<u>11,165,974</u>
Details of direct expenses		
Arihat Anmol	33,023,157	1,104,050
	<u>33,023,157</u>	<u>1,104,050</u>
<b>(INCREASE) / DECREASE IN INVENTORIES</b>		
Inventories at the end of the year		
Work-in-progress (Arihat Anmol)	129,991,580	27,108,721
	<u>129,991,580</u>	<u>27,108,721</u>
Inventories at the beginning of the year		
Work-in-progress (Arihat Anmol)	27,108,721	15,119,944
	<u>27,108,721</u>	<u>15,119,944</u>
	<u>(102,882,859)</u>	<u>(11,988,777)</u>
<b>19 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	5,518,555	452,015
Staff welfare expenses	366,109	967
Gratuity expenses	132,409	-
	<u>6,017,073</u>	<u>452,982</u>

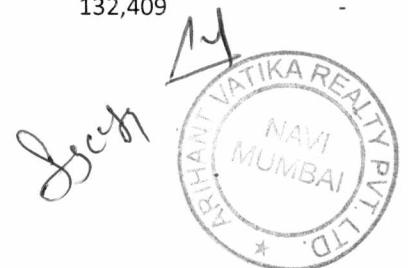
As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below: The Company is in process to create Employee's Group Gratuity Fund with Life Insurance Corporation of India for the benefit of employees.

#### A Gratuity Plan

The AS-15 stipulates that the rate used to discount post employment benefit obligation (both funded and non-funded) should be determined by reference to market yields at the Balance Sheet date on government bonds. The currency and terms of the government bonds should be consistent with the currency and estimated terms of the post-employment benefit obligation. Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.

#### Reconciliation of opening and closing balance of the present value of the defined benefit obligation

Current Service Cost	63,697	-
Past Service Cost	68,712	-
Benefits paid	-	-
Acturial (gain) / loss on defined benefits obligation	-	-
Obligations at year end	<u>132,409</u>	<u>-</u>



# ARIHANT VATIKA REALTY PVT LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows

Opening fair value of plan assets	-	-
Add / Less: Adjustments	-	-
Closing fair value of plan assets	-	-

Amounts to be recognised in the Balance Sheet

Projected benefits obligation, at the end of the year	132,409	-
Fair value of plan assets at end of the year	-	-
Net asset / (liability) to be provided in the Balance Sheet	132,409	-

Gratuity Cost for the year

Current Service Cost	63,697	-
Past Service Cost	68,712	-
Expense to be recognised in the Statement of Profit and Loss	132,409	-

## 20 FINANCE COSTS

Bank charges	(9,255)	14,888
Interest on service tax	2,498	-
Interest on TDS	16,556	-
Interest on term loan	84,113	-
Interest others	12,802,757	-
	12,896,669	14,888

## 21 OTHER EXPENSES

Selling & distribution	6,267,619	83,608
Professional & legal expenses	267,044	180,361
Administrative expenses	1,767,480	25,782
Preliminary expenses	-	15,880
Donation	25,000	-
Auditor's Remuneration	129,214	111,589
	8,456,357	417,220

Payment to auditor

As auditor:

Audit fee	73,034	56,180
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In other capacity

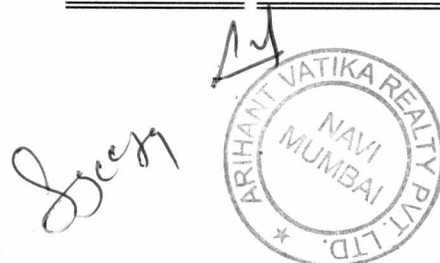
certification fees	56,180	55,409
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	129,214	111,589
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## 22 EARNINGS PER SHARE (EPS)

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	(40,659)	37,288
Weighted average number of equity shares in calculating Basic and Diluted EPS	10,000	10,000
Basic & Diluted EPS	(4.07)	3.73



# ARIHANT VATIKA REALTY PVT LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

## 23 RELATED PARTY DISCLOSURE

### Names of related parties and related party relationship

#### a. Related parties who exercise control

1 M/s Arihant Superstructures Ltd Holding Company

#### b. Key Management Personal and Relatives thereof

1 Mr. Ashok B Chhajer Director and KMP  
2 Mrs. Sangeeta Ashok Chhajer Director  
3 Mr. Akshay Agarwal Director and KMP

### Related party transactions Taken Place during year

#### a. Loans given/taken and repayment thereof

Sr Name	Opening		Repayment	Interest accrued	Amount payable to Related parties
	Balance	Loans taken			
1 Mr. Akshay Agarwal	11,120,997	5,000,000	-	1,515,674	17,636,671
2 Mr. Ashok Chhajer	10,042,418	106,200,000	101,200,000	2,601,963	17,644,381
3 Mrs. Sangeeta Chhajer	20,852,151	33,300,000	33,450,000	2,027,017	22,729,168
4 M/s Arihant Superstructures Ltd	30,934,973	62,550,000	61,200,000	4,714,856	36,999,829
Total	72,950,539	207,050,000	195,850,000	10,859,510	95,010,049

24 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.

## 25 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.

26 There are no contingent liabilities as on year end.

27 There are no commitments outstanding as on year end.

28 In the opinion of the management; 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.

29 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.

30 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

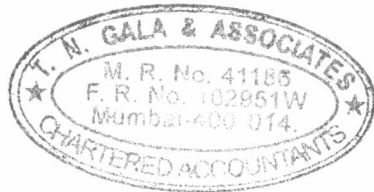
Talakchand N. Gala

Proprietor

MRN: 41186

Place: Navi Mumbai

Date: 10.05.2013



For & on behalf of the board

Director

Place: Navi Mumbai

Date: 10.05.2013

Director

