



**Independent Auditor's Report
To the Members of Prudent Infra Realty Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Prudent Infra Realty Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Basis for Qualified Opinion

Attention is drawn to Note No. 27 of the financial statements regarding non provision of Gratuity which is not in accordance with Accounting Standard -- 15 "Employee Benefits". Consequently, we are unable to comment upon the effect of the above on the financial statements.





Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid 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, of the state of affairs of the Company as at 31 March 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) we have and except for the matter described in the basis for qualified opinion paragraph, sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) except for the matter described in the basis for qualified opinion paragraph, 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;
 - (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) except for the matter described in the basis for qualified opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above; and





- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **MSA & CO.**
Chartered Accountants
Firm Registration Number: 324464E

Rasik Singhania

Rasik Singhania
Partner
Membership Number: 064390



Kolkata
18 September 2015



Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion and accordingly to the information and explanations given to us, the frequency of such verification is reasonable.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of business.
(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification
- (iii) (a) The Company has granted loan to nineteen companies covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted and interest thereon on such loans is repayable on demand. As informed, the payment of principal and interest by the party has been regular in line with the demands made by the Company.
(b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act.
- (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 not observed any major weakness or continuing failure to correct any major weakness in internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013, for the products of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.





- (b) According to the records of the Company, information and explanation given to us, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, cess on account of any dispute, are as follows:

| Name of the Statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where Dispute is pending |
|----------------------|-------------------------------------|--------------|------------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income tax on Share Capital premium | 53,886,900 | Financial Year 2011-12 | CIT (Appeals) |
| Finance Act, 1994 | Service Tax | 2,790,012 | From 2011 to 2014 | Commissioner of Central Excise |

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. Further, the Company did not have any outstanding debentures during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

for **MSA & CO.**
Chartered Accountants
Firm Registration Number: 324464E

Rasik Singhania

Rasik Singhania
Partner
Membership Number: 064390



Kolkata
18 September 2015

PRUDENT INFRA REALTY PRIVATE LIMITED

CIN - U45208WB2009PTC137118

BALANCE SHEET AS AT 31ST MARCH, 2015

| | <u>Notes</u> | <u>AS AT</u> <u>31.03.2015</u> (Rs.) | <u>AS AT</u> <u>31.03.2014</u> (Rs.) |
|--------------------------------------|--------------|--|--|
| <u>Equity and Liabilities</u> | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 181,650,000 | 181,650,000 |
| Reserves & surplus | 4 | 154,089,385 | 149,258,670 |
| | | <u>335,739,385</u> | <u>330,908,670</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 3,129,767 | 3,475,610 |
| Deferred Tax Liabilities | 6 | - | 307,121 |
| | | <u>3,129,767</u> | <u>3,782,731</u> |
| Current liabilities | | | |
| Short-term borrowings | 9 | - | 42,316,758 |
| Trade payables | 7 | 8,241,993 | 3,599,944 |
| Other current liabilities | 10 | 592,313,360 | 329,590,865 |
| Short-term provisions | 8 | 304,670 | 772,330 |
| | | <u>600,860,023</u> | <u>376,279,897</u> |
| Total | | <u><u>939,729,175</u></u> | <u><u>710,971,298</u></u> |
| <u>Assets</u> | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 11 | 20,711,520 | 15,807,750 |
| Intangible assets | 12 | - | 47,630 |
| Capital Work in progress | | 350,000 | - |
| Non Current Investments | 13 | 73,498,770 | 73,543,770 |
| Deferred tax assets (net) | 6 | 447,795 | - |
| Long-term loans & advances | 14 | 21,854,734 | 21,717,995 |
| | | <u>116,862,819</u> | <u>111,117,145</u> |
| Current assets | | | |
| Inventories | 15 | 417,773,471 | 235,401,581 |
| Trade Receivables | 16 | 35,511,089 | 22,905,566 |
| Cash & bank balances | 17 | 3,829,772 | 40,879,556 |
| Short-term loan and advances | 14 | 365,715,906 | 300,590,749 |
| Other Current Assets | 18 | 36,118 | 76,701 |
| | | <u>822,866,356</u> | <u>599,854,153</u> |
| Total | | <u><u>939,729,175</u></u> | <u><u>710,971,298</u></u> |

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for M S A & CO.
Chartered Accountants
Firm Registration No:- 324464E

Rasik Singhania

Rasik Singhania
Partner
Membership No:- 064390



Place :- Kolkata
Date:- September 18, 2015

For and on behalf of the Board of Directors

Rajkumar Khaitan

Rajkumar Khaitan
DIN - 00550876

Ravindra Khaitan
Ravindra Khaitan
DIN - 01080498

Rajan Kumar Gupta
Rajan Kumar Gupta
Company Secretary

PRUDENT INFRA REALTY PRIVATE LIMITED

CIN - U45208WB2009PTC137118

Statement of Profit and Loss for the year ended 31st March 2015

| | Notes | 2014-15 (Rs) | 2013-14 (Rs) |
|--|-------|-------------------|-------------------|
| Income | | | |
| Revenue from operations | | - | - |
| Other income | 19 | 31,435,000 | 23,018,628 |
| Total Revenue (I) | | 31,435,000 | 23,018,628 |
| Expenses | | | |
| Development and construction expenses | 20 | 169,380,736 | 135,126,738 |
| (Increase) in inventories of Construction work-in-progress | 21 | (182,371,890) | (142,831,554) |
| Employee benefits expenses | 22 | 16,016,485 | 9,750,821 |
| Other expenses | 23 | 12,773,253 | 3,305,780 |
| Depreciation and amortization expense | 24 | 5,460,489 | 2,157,594 |
| Finance costs | 25 | 2,659,658 | 6,162,828 |
| Total Expenses (II) | | 23,918,731 | 13,672,207 |
| Profit before tax (I-II) | | 7,516,269 | 9,346,421 |
| Tax expenses | | | |
| Current tax | | 3,440,470 | 3,065,090 |
| Deferred tax | | (754,916) | (38,583) |
| Total tax expense | | 2,685,554 | 3,026,507 |
| Profit for the year | | 4,830,715 | 6,319,914 |
| Earning per share (nominal value of share Rs. 10) Basic & Diluted | 26 | 0.27 | 0.53 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date

for **MSA & CO.**
Chartered Accountants
Firm Registration No:- 324464E

Rasik Singhania

Rasik Singhania
Partner
Membership No:- 064390



Place :- Kolkata
Date:- September 18, 2015

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Rajkumar Khaitan

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DIN - 00550876

Ravindra Khaitan

Ravindra Khaitan
DIN - 01080498

Rajan Kumar Gupta

Rajan Kumar Gupta
Company Secretary

PRUDENT INFRA REALTY PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | <u>2014 - 15</u> (Rs.) |
|--|---------------------------|
| A. Cash Flow from Operating Activities | |
| Net Profit/(Loss) before Taxation | 7,516,269 |
| Adjustment for: | |
| Depreciation | 5,460,489 |
| Interest on Late payment of Income Tax | 100,780 |
| Interest Expenses | 2,659,658 |
| Intangible Assets written off | 47,630 |
| Loss on Discard of Assets | 9,406 |
| Interest Income | (31,435,000) |
| Operating Profit before Working Capital Changes | <u>(15,640,768)</u> |
| Adjustments for : | |
| Decrease / (Increase) in Long Term Loan & Advances | (136,739) |
| Decrease / (Increase) in Short Term Loan & Advances | (65,125,157) |
| Decrease / (Increase) in Inventories | (182,371,890) |
| (Decrease)/ Increase in Trade Payable | 4,642,049 |
| Decrease / (Increase) in Trade Receivables | (12,605,523) |
| (Decrease)/ Increase in Other Current Liabilities | 261,078,922 |
| Cash Generated From Operations | <u>(10,159,105)</u> |
| Taxes paid (net) | (4,008,910) |
| Net Cash Generated from/ (Used in) Operating Activities | <u>(14,168,015)</u> |
| B. Cash Flow from Investing Activities | |
| Interest Income | 31,475,583 |
| Purchase of Tangible Fixed Assets | (10,723,665) |
| Purchase of Long Term Investments (Non-Trade) | (25,000) |
| Sale of Long Term Investments (Non-Trade) | 30,000 |
| | <u>20,756,918</u> |
| C. Cash Flow from Financing Activities | |
| Interest Paid | (2,659,658) |
| Proceeds from Long Term borrowings (net) | 1,297,729 |
| Repayment of Short Term borrowings (net) | (42,316,758) |
| Net Cash Generated from Financing Activities | <u>(43,678,687)</u> |
| Net Increase or (Decrease) in Cash & Cash Equivalents (A+B+C) | <u>(37,089,784)</u> |
| Cash & Cash Equivalents - Opening Balance | 40,879,556 |
| Cash & Cash Equivalents - Closing Balance | 3,829,772 |

Note : Previous year figures are not given for reasons explained in Note 29.

In terms of our report of even date.

for M S A & CO.
Chartered Accountants
Firm Registration No:- 324464E

Rasik Singhania

Rasik Singhania
Partner

Membership No:- 064390



Place :- Kolkata

Date:- September 18, 2015

For and on behalf of the Board of Directors

Rajkumar Khaitan

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DIN - 00550876

Ravindra Khaitan
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DIN - 01080498

Rajan Kumar Gupta
Rajan Kumar Gupta
Company Secretary

PRUDENT INFRAREALTY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. Nature of Operations

Prudent Infra Realty Private Limited is engaged in the business of real estate development. The company has entered into joint development agreements along with 17 other Companies and 1 Hindu Undivided Family for purchase of land at 272, Sripur Bagherghole, Boral Main Road, Kolkata under the project name "Prudent Prana" for its construction and development.

2. Summary of Significant Accounting Policies

(a) Change in Accounting Policy

Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

(i) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, these rates are same with the lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the company.

(ii) Depreciation on assets costing less than Rs. 5,000/-

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs. 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the company for the current year.

(b) Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2015. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon 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 amount of assets and liabilities in future periods.



PRUDENT INFREAREALTY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(d) Revenue Recognition

Construction Work in Progress reflects the costs incurred for project pending completion, to be charged to revenue in the year in which income from sale of such project is recognized. Revenue is recognised only when the project is completed or substantially completed.

Dividend is recognized when the shareholder's right to receive payment is established by the Balance Sheet date.

Profit / (loss) on sale of investments is determined based on the weighted average cost of the investments sold.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(e) Tangible Fixed Assets

Tangible Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

(f) Depreciation on Tangible assets

a) Depreciation on fixed assets is calculated on a WDV basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.

b) Depreciation on Fixed Assets added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.

(g) Impairment of Tangible assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(h) Inventories

(i) Construction work-in-progress is valued at lower of cost and net realizable value.

(ii) Expenditure directly relating to the construction activities are inventorised. Indirect expenditure incurred during construction period are inventorised as part of the indirect construction cost to the extent to which the expenditure are indirectly related to construction or are incidental thereto. Other indirect expenditure incurred during the construction period which are neither related to construction activity nor are incidental thereto, are charged to the Statement of profit and loss.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost incurred /item purchased specifically for projects are taken as consumed as and when incurred/received.



PRUDENT INFRAREALTY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(i) Operating cycle and basis of classification of assets and liabilities

- a) The real estate development projects undertaken by the Company generally run over a period ranging over 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of 5 years. Borrowing in connection with such projects are classified as short term (i.e current) since they are payable over the term of the respective projects.
- b) Assets and liabilities, other than those discussed in the paragraph (a) above, are classified as current to the extent they are expected to be realized / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

(j) Borrowing Costs

Borrowing costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one which necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(k) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as Current Investments. All other Investments are classified as Long Term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term Investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

(l) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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

(m) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred Tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized 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, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realised.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(n) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company has no obligations other than the contribution payable to the respective funds.



PRUDENT INFRAREALTY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Gratuity liability has not been provided in the books. The same will be provided as and when the amount is payable by the Company.

(o) 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.

(p) 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Cash and Cash Equivalents

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



Prudent Infrarealty Private Limited

Notes to Financial Statements for the year ended 31st March , 2015

| | As At 31st March 2015 (Rs.) | As At 31st March 2014 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| 3. SHARE CAPITAL | | |
| AUTHORISED | | |
| 1,85,00,000 (1,85,00,000) Equity shares of Rs 10/- each | 185,000,000 | 185,000,000 |
| | <u>185,000,000</u> | <u>185,000,000</u> |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 1,81,65,000 (1,81,65,000) Equity Shares of Rs 10/- each fully paid | 181,650,000 | 181,650,000 |
| | <u>181,650,000</u> | <u>181,650,000</u> |

A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

| Equity Shares | <u>As At 31st March 2015</u> | | <u>As At 31st March 2014</u> | |
|---|------------------------------|--------------------|------------------------------|--------------------|
| | <u>No of Shares</u> | <u>(Rs.)</u> | <u>No of Shares</u> | <u>(Rs.)</u> |
| At the beginning of the year | 18,165,000 | 181,650,000 | 11,873,500 | 118,735,000 |
| Issued during the year | - | - | 6,291,500 | 62,915,000 |
| <i>Outstanding at the end of the year</i> | <u>18,165,000</u> | <u>181,650,000</u> | <u>18,165,000</u> | <u>181,650,000</u> |

B) Term/rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs10/- 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 distributions will be in proportion to the numbers of equity shares held by the shareholders.

C) Details of shareholders holding more than 5% shares in the company:

| | <u>As at 31st March 2015</u> | | <u>As at 31st March 2014</u> | |
|---|------------------------------|---------------------|------------------------------|---------------------|
| | <u>No. of Shares</u> | <u>% of Holding</u> | <u>No. of Shares</u> | <u>% of Holding</u> |
| Equity Shares of Rs 10 Each Fully paid | | | | |
| Concord Synthetics Private Limited | 5,909,000 | 32.53% | 5,909,000 | 32.53% |
| Complex Financial Consultancy Private Limited | 2,251,000 | 12.39% | 2,251,000 | 12.39% |
| Constant Financial Services Private Limited | 2,794,000 | 15.38% | 2,794,000 | 15.38% |
| Countless Lease Financial Private Limited | 6,317,500 | 34.78% | 6,317,500 | 34.78% |

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

4. RESERVES & SURPLUS

Securities Premium Account

| | | |
|-----------------------------|--------------------|--------------------|
| Balance as per last account | 134,715,000 | 134,715,000 |
| | <u>134,715,000</u> | <u>134,715,000</u> |

Surplus in the statement of profit and loss

| | | |
|--|--------------------|--------------------|
| Balance as per last account | 14,543,670 | 8,223,756 |
| Add:- Profit/(Loss) for the year | 4,830,715 | 6,319,914 |
| Net Surplus in the statement of Profit and Loss | <u>19,374,385</u> | <u>14,543,670</u> |
| | <u>154,089,385</u> | <u>149,258,670</u> |



Prudent Infrarealty Private Limited

Notes to Financial Statements for the year ended 31st March , 2015

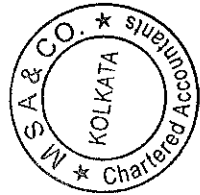
| | As At 31st March 2015 | As At 31st March 2014 | As At 31st March 2015 | As At 31st March 2014 |
|--|-----------------------------|--------------------------|---------------------------|--------------------------|
| 5. LONG TERM BORROWINGS | | | | |
| | Non-Current Portions | | Current Maturities | |
| | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| Deferred Credit Scheme | | | | |
| From Scheduled Bank (Secured) | 3,129,767 | 634,426 | 2,221,226 | 577,653 |
| Loans & Advances from related parties (Unsecured) | | | | |
| Loan from related parties | - | 2,841,184 | - | - |
| | <u>3,129,767</u> | <u>3,475,610</u> | <u>2,221,226</u> | <u>577,653</u> |
| The above amount includes | | | | |
| Secured Borrowings | 3,129,767 | 634,426 | 2,221,226 | 577,653 |
| Unsecured Borrowings | - | 2,841,184 | - | - |
| Amount disclosed under the head " Other current Liabilities" (note - 10) | | | (2,221,226) | (577,653) |
| Net amount | <u>3,129,767</u> | <u>3,475,610</u> | <u>-</u> | <u>-</u> |
| 6. DEFERRED TAX LIABILITIES / (ASSETS) | | | | |
| Deferred tax liabilities: | | | | |
| Timing difference of depreciable assets | | | - | 307,121 |
| | | | - | <u>307,121</u> |
| Deferred tax assets: | | | | |
| Timing difference of depreciable assets | | | 447,795 | - |
| | | | <u>447,795</u> | - |
| | | | <u>(447,795)</u> | <u>307,121</u> |
| 7. TRADE PAYABLES | | | | |
| Due to Micro & Small Enterprises # | | | - | - |
| Due to Others | | | 8,241,993 | 3,599,944 |
| | | | <u>8,241,993</u> | <u>3,599,944</u> |
| # Based on the information /documents available with the Company, no creditors is covered under Micro, Small and Medium Enterprises development Act,2006. As a result, no interest, provision/payment have been made by the Company to such creditors, if any and no disclosures thereof are made in these financial statements. | | | | |
| 8. SHORT TERM PROVISIONS | | | | |
| Provision for Taxes (Net of TDS) | | | 304,670 | 772,330 |
| | | | <u>304,670</u> | <u>772,330</u> |
| 9. SHORT TERM BORROWINGS (Secured) | | | | |
| Term Loans from Banks | | | - | 42,316,758 |
| | | | - | <u>42,316,758</u> |
| 10. OTHER CURRENT LIABILITIES | | | | |
| Other liabilities | | | | |
| Current maturities of long-term borrowings (note -5) | | | 2,221,226 | 577,653 |
| Advance from customers | | | 588,948,244 | 328,397,392 |
| Statutory Dues Payables | | | 1,143,890 | 615,820 |
| | | | <u>592,313,360</u> | <u>329,590,865</u> |



Prudent Infrarealty Private Limited
Notes to financial statements as at and for the year ended 31st March, 2015

| 11. Tangible Assets | (Amount in Rs.) | | | | | | |
|----------------------------------|-------------------|-----------|------------------|------------------------|-----------|-----------|------------|
| | Plant & Machinery | Computers | Office Equipment | Furniture and Fixtures | Vehicles | Tube Well | Total |
| Cost or valuation | | | | | | | |
| At 1 April 2013 | 6,590,063 | 2,283,610 | 439,383 | - | 2,073,878 | 14,000 | 11,400,934 |
| Additions | 6,104,411 | 204,091 | 529,004 | 2,570,046 | - | - | 9,407,552 |
| At 31 March 2014 | 12,694,474 | 2,487,701 | 968,387 | 2,570,046 | 2,073,878 | 14,000 | 20,808,486 |
| Additions | 6,323,514 | 52,358 | 414,593 | - | 3,583,200 | - | 10,373,665 |
| Less: on disposals / adjustments | - | - | - | - | - | 14,000 | 14,000 |
| At 31 March 2015 | 19,017,988 | 2,540,059 | 1,382,980 | 2,570,046 | 5,657,078 | - | 31,168,151 |
| Depreciation | | | | | | | |
| At 1 April 2013 | 1,377,404 | 1,380,350 | 37,505 | - | 49,626 | 3,549 | 2,848,434 |
| Charge for the year | 964,296 | 397,812 | 99,227 | 165,843 | 524,079 | 1,045 | 2,152,302 |
| At 31 March 2014 | 2,341,700 | 1,778,162 | 136,732 | 165,843 | 573,705 | 4,594 | 5,000,736 |
| Charge for the year | 2,718,370 | 554,956 | 431,799 | 629,698 | 1,125,666 | - | 5,460,489 |
| Less: on disposals / adjustments | - | - | - | - | - | 4,594 | 4,594 |
| At 31 March 2015 | 5,060,070 | 2,333,118 | 568,531 | 795,541 | 1,699,371 | - | 10,456,631 |
| Net Block | | | | | | | |
| At 31 March 2014 | 10,352,774 | 709,539 | 831,655 | 2,404,203 | 1,500,173 | 9,406 | 15,807,750 |
| At 31 March 2015 | 13,957,918 | 206,941 | 814,449 | 1,774,505 | 3,957,707 | - | 20,711,520 |

| 12. Intangible Assets | (Amount in Rs) | |
|----------------------------------|----------------|--------|
| | Trade Mark | Total |
| Cost | | |
| At 31 March 2013 | 64,200 | 64,200 |
| Additions | - | - |
| Less: on disposals / adjustments | - | - |
| At 31 March 2014 | 64,200 | 64,200 |
| Additions | - | - |
| Less: on disposals / adjustments | 64,200 | 64,200 |
| At 31 March 2015 | - | - |
| Depreciation | | |
| At 31 March 2013 | 11,278 | 11,278 |
| Charge for the year | 5,292 | 5,292 |
| Less: on disposals / adjustments | - | - |
| At 31 March 2014 | 16,570 | 16,570 |
| Charge for the year | - | - |
| Less: on disposals / adjustments | 16,570 | 16,570 |
| At 31 March 2015 | - | - |
| Net Block | | |
| At 31 March 2014 | 47,630 | 47,630 |
| At 31 March 2015 | - | - |



Prudent Infra Realty Private Limited

Notes to Financial Statements for the year ended 31st March , 2015

13. NON CURRENT INVESTMENTS

| | No. of Shares | Face Value per Share Rs. | As at 31.03.2015 Rs. | As at 31.03.2014 Rs. |
|---|------------------|--------------------------------|----------------------------|----------------------------|
| Non-Trade Investment (valued at cost) | | | | |
| Unquoted Equity shares (fully paid up) | | | | |
| In Associate Companies | | | | |
| Ankush Tradelink Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Arrow Vintrade Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Award Vinimay Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Bangabhumi Infrastructure Private Limited | 2000 | 10 | 20,000 | 20,000 |
| Bangabhumi Real Estate Private Limited | 2500 | 10 | 25,000 | 25,000 |
| Bluemoon Management Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Bluemoon Suppliers Private Limited | 4900 | 10 | 49,000 | 49,000 |
| Bluemoon Tracom Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Bluemoon Vincom Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Bluemoon Vinimay Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Bluesun Vincom Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Bolero Commercial Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Compass Tradelink Private Limited | 4810 | 10 | 48,100 | 48,100 |
| Cypress Complex Private Limited | 4000 | 10 | 40,000 | 40,000 |
| Conception Commercial Private Limited | 5000 | 10 | 50,000 | 50,000 |
| Edam Construction Private Limited | 4000 | 10 | 40,000 | 40,000 |
| Edam Housing Private Limited | 4000 | 10 | 40,000 | 40,000 |
| Epistle Realestate Private Limited | 4000 | 10 | 40,000 | 40,000 |
| Goldmoon Tracom Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Goldshine Agencies Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Greencity Sales Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Greencity Vinimay Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Greentower Agencies Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Greentower Commotrade Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Greentower Management Private Limited | 5000 | 10 | 50,000 | 50,000 |
| Greentower Retails Private Limited | 4900 | 10 | 49,000 | 49,000 |
| Greentower Traders Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Greentower Vinimay Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Greentown Management Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Greentown Retails Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Greentown Tracom Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Ibhanan Complex Private Limited | 4000 | 10 | 40,000 | 40,000 |
| Idika Complex Private Limited | 4000 | 10 | 40,000 | 40,000 |
| Kathakunj Conclave Private Limited | 4000 | 10 | 40,000 | 40,000 |
| Limestone Sales Private Limited | 5000 | 10 | 50,000 | 50,000 |
| Meridian Vintrade Private Limited | 4000 | 10 | 40,000 | 40,000 |
| Micrograph Vinimay Private Limited | 4810 | 10 | 48,100 | 48,100 |
| Nightangle Traders Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Orient Plaza Private Limited | 2500 | 10 | 25,000 | 25,000 |
| Carried over | | | 1,742,200 | 1,742,200 |



Prudent Infrarealty Private Limited

Notes to Financial Statements for the year ended 31st March , 2015

| | No. of Shares | Face Value per Share Rs. | As at 31.03.2015 Rs. | As at 31.03.2014 Rs. |
|---|------------------|--------------------------------|----------------------------|----------------------------|
| Brought forward | | | | |
| Unquoted Equity shares (fully paid up)(Contd.) | | | | |
| Pioneer Marbles & Interiors Private Limited | 915000 | 10 | 9,150,000 | 9,150,000 |
| Pioneer Niwas Private Limited | 2500 | 10 | 25,000 | - |
| | (-) | | | |
| Pioneer Property Management Limited | 880000 | 10 | 8,800,000 | 8,800,000 |
| Prudent Commission Agents Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Prudent Commotrade Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Prudent Enclave Private Limited | 4700 | 10 | 47,000 | 47,000 |
| Prudent Heights Private Limited | 4700 | 10 | 47,000 | 47,000 |
| Prudent Hirise Private Limited | 4700 | 10 | 47,000 | 47,000 |
| Prudent Infraprojects Private Limited | 4700 | 10 | 47,000 | 47,000 |
| Prudent Niketan Private Limited | 4700 | 10 | 47,000 | 47,000 |
| Prudent Niwas Private Limited | 4700 | 10 | 47,000 | 47,000 |
| Prudent Retailers Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Prudent Stockists Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Prudent Township Private Limited | 4700 | 10 | 47,000 | 47,000 |
| Prudent Tracom Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Recreate Traders Private Limited | 4810 | 10 | 48,100 | 48,100 |
| Saptarshi Tradelink Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Sumit Fiscal Services Private Limited | 372400 | 100 | 46,550,000 | 46,550,000 |
| Shivangan Tradecom Private Limited | 4810 | 10 | 48,100 | 48,100 |
| Spencer Tradelink Private Limited | 4810 | 10 | 48,100 | 48,100 |
| Sunview Vintrade Private Limited | 4800 | 10 | 48,000 | 48,000 |
| Vidhan Estates Private Limited | 3330 | 10 | 166,500 | 166,500 |
| Edam Builders Private Limited * | - | 10 | - | 40,000 |
| | (4000) | | | |
| Epistle Housing Private Limited | - | 10 | - | 40,000 |
| | (4000) | | | |
| Wrinkle Tracom Private Limited | 4810 | 10 | 48,100 | 48,100 |
| In Others | | | | |
| Edam Builders Private Limited * | 1000 | 10 | 10,000 | - |
| | (-) | | | |
| Harmony Vinimay Private Limited | 15000 | 10 | 150,000 | 150,000 |
| Jagdamba Commerce Private Limited | 250 | 10 | 165,000 | 165,000 |
| Lifemake Construction Private Limited | 5000 | 10 | 50,000 | 50,000 |
| Longview Mercantile Private Limited | 900 | 10 | 9,000 | 9,000 |
| Pioneer Online Limited | 58000 | 10 | 5,800,000 | 5,800,000 |
| Prudent Commodeal Private Limited | 1467 | 10 | 14,670 | 14,670 |
| Wonder Vanijya Private Limited | 900 | 10 | 9,000 | 9,000 |
| | | | 73,498,770 | 73,543,770 |

*Edam Builders Private Limited cease to be an associate company wef 19.11.2014

Aggregate Value of Investments

Unquoted 73,498,770 73,543,770



Prudent Infrarealty Private Limited

Notes to Financial Statements for the year ended 31st March , 2015

| | As At 31st March 2015 | As At 31st March 2014 | As At 31st March 2015 | As At 31st March 2014 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| 14. LOANS & ADVANCES (Unsecured, considered good) | | | | |
| | Long-Term | | Short-Term | |
| | (Rs) | (Rs) | (Rs) | (Rs) |
| Loans to related parties | - | - | 338,061,450 | 169,108,506 |
| Loan to other parties | - | - | 3,656,118 | 118,461,983 |
| Advance for Property | 21,500,000 | 21,500,000 | - | - |
| Project Advances | - | - | 2,885,330 | 5,715,258 |
| Advance to Co-owners against agreement | - | - | 17,316,149 | 5,510,682 |
| Other Advances | - | - | 1,746,049 | 66,000 |
| Employee Advances | - | - | 621,000 | 555,000 |
| Prepaid Expenses | 114,739 | - | 103,628 | 40,024 |
| Security Deposits | 239,995 | 217,995 | - | - |
| Service Tax Refundable | - | - | 1,326,182 | 1,133,296 |
| | 21,854,734 | 21,717,995 | 365,715,906 | 300,590,749 |

15. INVENTORIES

(At lower of cost and net realisable value)

| | | |
|-------------------------------|--------------------|--------------------|
| Construction Work In Progress | 417,773,471 | 235,401,581 |
| | 417,773,471 | 235,401,581 |

16. TRADE RECEIVABLES

Debts outstanding for a period exceeding six months from the date they are due for payment

| | | |
|-------------|-------------------|-------------------|
| Other debts | 8,080,232 | - |
| | 27,430,857 | 22,905,566 |
| | 35,511,089 | 22,905,566 |

17. CASH & BANK BALANCES

Cash & cash equivalents

Balances with banks :

| | | |
|-----------------------|------------------|-------------------|
| On Current Account | 2,459,299 | 460,513 |
| Fixed Deposit Account | 840,000 | 39,615,128 |
| Cash on hand | 530,473 | 803,915 |
| | 3,829,772 | 40,879,556 |

18. Other Current Asset

| | | |
|------------------------------------|---------------|---------------|
| Interest Accrued on Fixed Deposits | 36,118 | 76,701 |
| | 36,118 | 76,701 |



Prudent Infra Realty Private Limited

Notes to Financial Statements for the year ended 31st March , 2015

| | 2014-15 (Rs) | 2013-14 (Rs) |
|--|----------------------|----------------------|
| 19. OTHER INCOME | | |
| Interest on Fixed Deposit | 1,557,757 | 307,043 |
| Interests on Loan | 29,877,243 | 22,639,106 |
| Miscellaneous Income | - | 2,538 |
| Nomination Fees against Flat | - | 69,941 |
| | <u>31,435,000</u> | <u>23,018,628</u> |
| 20. DEVELOPMENT AND CONSTRUCTION EXPENSES | | |
| Land Cost | 886,849 | 58,815 |
| Compensation for vacating land | 115,000 | - |
| Land Filling Expenses | 216,050 | - |
| Material Consumed | 57,706,750 | 47,251,402 |
| Construction Expenses | 83,883,053 | 65,288,738 |
| Architect Fees | 1,084,920 | 933,348 |
| Plan Sanction Fees | 918,458 | 452,661 |
| Rates & Taxes | 356,152 | 98,380 |
| Security Guard Expenses | 1,026,978 | 530,074 |
| Purchase of Electrical Equipment | 674,790 | 65,729 |
| Miscellaneous Project Expenses | 16,764,268 | 17,471,968 |
| Lift Expenses | 3,360,000 | 2,194,500 |
| Model Flat & Site Office Expenses | 2,387,468 | 781,123 |
| | <u>169,380,736</u> | <u>135,126,738</u> |
| 21. INCREASE IN INVENTORIES | | |
| Opening Stock | | |
| - Construction work in progress | 235,401,581 | 98,080,709 |
| Less: Advances paid to Co-owners of Land wrongly transferred | - | (5,510,682) |
| | <u>235,401,581</u> | <u>92,570,027</u> |
| Less: | | |
| Closing Stock | | |
| - Construction work in progress | 417,773,471 | 235,401,581 |
| | <u>417,773,471</u> | <u>235,401,581</u> |
| | <u>(182,371,890)</u> | <u>(142,831,554)</u> |
| 22. EMPLOYEE BENEFIT EXPENSES | | |
| Salary & Bonus | 15,951,388 | 9,202,212 |
| Staff Welfare | 65,097 | 548,609 |
| | <u>16,016,485</u> | <u>9,750,821</u> |



Prudent Infrarealty Private Limited

Notes to Financial Statements for the year ended 31st March , 2015

23. OTHER EXPENSES

| | 2014-15 (Rs) | 2013-14 (Rs) |
|---|-------------------|------------------|
| Office Rent | 1,200,000 | 780,000 |
| Godown Rent | 100,000 | - |
| Rates & Taxes | 4,400 | 4,400 |
| AMC Charges | 47,667 | - |
| Bank Charges | 9,873 | 13,120 |
| Legal & Professional Charges | 1,967,951 | 343,750 |
| Domain Charges | 224 | - |
| Donation | 167,000 | - |
| Electricity Expenses | 700,090 | 198,050 |
| Filing Fees | 18,338 | 20,175 |
| Fuel Expenses | 1,076,252 | 514,835 |
| Insurance Premium | 50,767 | 12,311 |
| Membership Fees | 165,000 | 15,206 |
| Mobile / Computer Accessories | 13,783 | - |
| Motor Car Expenses | 383,944 | 123,589 |
| Office Expenses | 185,076 | 139,466 |
| Postage & Stamp | 8,693 | 3,126 |
| Printing & Stationery | 29,072 | 19,154 |
| Prior Period Item | - | 1,525 |
| Repairs & Maintenance | 35,482 | 1,000 |
| Sales Promotion Expenses | 43,000 | - |
| Share Issue Charges Written Off | 529,049 | 360,790 |
| Telephone Charges | 13,550 | - |
| Travelling & Conveyance | 5,827,022 | 638,391 |
| Loss on Discard of Tangible Assets | 9,406 | - |
| Intangible Assets written off | 47,630 | - |
| Interest on Late payment of Service Tax | 8,882 | 858 |
| Interest on Late Payment of Income Tax | 100,780 | 85,784 |
| Interest on TDS Payable | 323 | - |
| Auditor's Remuneration | | |
| As Auditors | | |
| Audit Fees | 30,000 | 30,250 |
| | <u>12,773,253</u> | <u>3,305,780</u> |

24. DEPRECIATION AND AMORTIZATION EXPENSE

| | | |
|-----------------------------------|------------------|------------------|
| Depreciation on Tangible Assets | 5,460,489 | 2,152,302 |
| Amortization of Intangible Assets | - | 5,292 |
| | <u>5,460,489</u> | <u>2,157,594</u> |

25. FINANCE COSTS

| | | |
|-------------------|------------------|------------------|
| Interest Expenses | <u>2,659,658</u> | <u>6,162,828</u> |
| | <u>2,659,658</u> | <u>6,162,828</u> |

26. EARNING PER SHARE

Basis for calculation of Basic & Diluted Earning per Share is as under:

| | | |
|--|------------|------------|
| Profit /(Loss) as per Statement of Profit & Loss (Rs.) | 4,830,715 | 6,319,914 |
| Weighted average number of Equity Shares (Nos.) | 18,165,000 | 11,890,737 |
| Nominal value of Equity Shares (Rs.) | 10 | 10 |
| Basic and Diluted Earning per Share (Rs.) | 0.27 | 0.53 |



PRUDENT INFREALETY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

27. No provision has been made in the accounts for gratuity liability for the year under consideration. As per the management, the same will be accounted as and when the amount is payable by the company to the employee.

28. **Related Party Disclosures:**

a) Related parties with whom transactions have taken place during the year

Key management personnel

Ravindra Khaitan (Managing Director)

Associate Companies

Bangabhumi Real Estate Private Limited
Bolero Commercial Private Limited
Bluemoon Suppliers Private Limited
Bluemoon Vinimay Private Limited
Conception Commercial Private Limited
Goldshine Agencies Private Limited
Greencity Sales Private Limited
Greentower Management Private Limited
Greentower Retails Private Limited
Greentower Traders Private Limited
Meridian Vintrade Private Limited
Micrograph Vinimay Private Limited
Nightangle Traders Private Limited
Orient Plaza Private Limited
Pioneer Niwas Private Limited
Pioneer Property Management Limited
Prudent Enclave Private Limited
Prudent Heights Private Limited
Prudent Hirise Private Limited
Prudent Infraprojects Private Limited
Prudent Niketan Private Limited
Prudent Niwas Private Limited
Prudent Township Private Limited
Recreate Traders Private Limited
Saptarshi Tradelink Private Limited
Sumit Fiscal Services Private Limited
Vidhan Estates Private Limited

Enterprises owned or significantly influenced by key management personnel or their relatives

Highland Agencies Private Limited
Aswini Sales Private Limited
Bangabhumi Construction Private Limited
Champion Suppliers Private Limited
Dynamo Developers Private Limited
Harmony Vinimay Private Limited
Lifemake Construction Private Limited
Rameshwar Sales Private Limited
Wrinkle Tracom Private Limited
Gopika Infrastructure LLP

Relatives of key management personnel

Anshul Khaitan (Son of Mr. Rajkumar Khaitan)
Priti Khaitan (Spouse of Mr. Ravindra Khaitan)
Rajendra Khaitan (Brother of the Directors)

b) Related Party Disclosure

Aggregate Related Party Disclosures as at 31st March 2015



PRUDENT INFRAREALTY PRIVATE LIMITED**(Amount in Rs)****Enterprise described in Note 28(a) above****Transactions/ Outstanding Balances****2014 - 15****2013 - 14****Interest Income**

| | | |
|---|------------|-----------|
| Aswini Sales Private Limited | 101,690 | 135,266 |
| Highland Agencies Private Limited | 39,500 | 1,402,320 |
| Bangabhumi Construction Private Limited | 55,003 | 231,572 |
| Bangabhumi Real Estate Private Limited | 266,111 | 1,379,270 |
| Bolero Commercial Private Limited | 146,227 | 271,200 |
| Bluemoon Suppliers Private Limited | 18,620 | 27,222 |
| Bluemoon Vinimay Private Limited | 973 | - |
| Conception Commercial Private Limited | 92,199 | 327,843 |
| Champion Suppliers Private Limited | 67,347 | 288,997 |
| Dynamo Developers Private Limited | - | 1,793,996 |
| Goldshine Agencies Private Limited | 758,143 | 662,287 |
| Greencity Sales Private Limited | 973 | - |
| Greentower Management Private Limited | 18,763 | 20,241 |
| Greentower Retails Private Limited | 18,939 | 28,723 |
| Greentower Traders Private Limited | 973 | - |
| Harmony Vinimay Private Limited | 1,151,516 | 1,094,440 |
| Lifemake Construction Private Limited | 84,799 | 7,400 |
| Meridian Vintrade Private Limited | 107,302 | 124,280 |
| Micrograph Vinimay Private Limited | 988,392 | 932,178 |
| Nightangle Traders Private Limited | 1,433,869 | 1,349,373 |
| Orient Plaza Private Limited | 1,923,857 | 1,759,562 |
| Pioneer Niwas Private Limited | 2,679,610 | 2,385,955 |
| Pioneer Property Management Limited | 1,954,838 | 973,182 |
| Prudent Enclave Private Limited | 2,383 | 2,956 |
| Prudent Heights Private Limited | 2,180 | 1,459 |
| Prudent Hirise Private Limited | 2,298 | 2,023 |
| Prudent Infraprojects Private Limited | 1,484 | 2,827 |
| Prudent Niketan Private Limited | 2,383 | 2,956 |
| Prudent Niwas Private Limited | 2,298 | 2,023 |
| Prudent Township Private Limited | 1,486 | 2,838 |
| Rameshwar Sales Private Limited | 117,893 | 136,679 |
| Recreate Traders Private Limited | 260,496 | 305,123 |
| Saptarshi Tradelink Private Limited | 154,185 | 180,331 |
| Sumit Fiscal Services Private Limited | 15,081,227 | 98,313 |
| Vidhan Estates Private Limited | 204,000 | 214,079 |
| Wrinkle Tracom Private Limited | 324,858 | 286,321 |
| Gopika Infrastructure LLP | 254,185 | 184,230 |



PRUDENT INFRAREALTY PRIVATE LIMITED

| Transactions/ Outstanding Balances | (Amount in Rs) | |
|---|--|------------|
| | Enterprise described in Note 28(a) above | |
| | 2014 - 15 | 2013 - 14 |
| Loan Taken | | |
| Highland Agencies Private Limited | - | 35,375,000 |
| Loan Taken, Repaid | | |
| Highland Agencies Private Limited | 2,841,184 | 16,268,479 |
| Loan Given | | |
| Aswini Sales Private Limited | 91,521 | 241,739 |
| Bangabhumi Construction Private Limited | 1,499,503 | 3,276,655 |
| Bangabhumi Real Estate Private Limited | 239,500 | 1,816,343 |
| Bolero Commercial Private Limited | 131,604 | 7,644,080 |
| Bluemoon Suppliers Private Limited | 596,758 | 624,500 |
| Bluemoon Vinimay Private Limited | 973 | 40,000 |
| Conception Commercial Private Limited | 82,979 | 605,059 |
| Champion Suppliers Private Limited | 60,612 | 3,180,097 |
| Dynamo Developers Private Limited | - | 2,414,596 |
| Goldshine Agencies Private Limited | 682,329 | 42,119,058 |
| Greencity Sales Private Limited | 973 | 40,000 |
| Greentower Management Private Limited | 596,887 | 618,217 |
| Greentower Retails Private Limited | 597,045 | 625,851 |
| Greentower Traders Private Limited | 973 | 40,000 |
| Harmony Vinimay Private Limited | 1,036,364 | 8,334,996 |
| Lifemake Construction Private Limited | 76,319 | 706,660 |
| Meridian Vintrade Private Limited | 96,572 | 226,852 |
| Micrograph Vinimay Private Limited | 889,553 | 27,028,960 |
| Nightangle Traders Private Limited | 1,290,482 | 21,144,436 |
| Orient Plaza Private Limited | 3,223,847 | 19,069,860 |
| Pioneer Niwas Private Limited | 2,461,649 | 5,547,359 |
| Pioneer Property Management Limited | 10,359,355 | 21,775,864 |
| Prudent Enclave Private Limited | 2,383 | 82,956 |
| Prudent Heights Private Limited | 2,180 | 86,459 |
| Prudent Hirise Private Limited | 2,298 | 87,023 |
| Prudent Infraprojects Private Limited | 1,484 | 42,827 |
| Prudent Niketan Private Limited | 2,383 | 82,956 |
| Prudent Niwas Private Limited | 2,298 | 87,023 |
| Prudent Township Private Limited | 1,486 | 42,838 |
| Rameshwar Sales Private Limited | 106,104 | 243,011 |
| Recreate Traders Private Limited | 234,446 | 354,611 |
| Saptarshi Tradelink Private Limited | 138,766 | 232,298 |
| Sumit Fiscal Services Private Limited | 249,604,104 | 88,482 |
| Vidhan Estates Private Limited | 183,600 | 192,671 |
| Wrinkle Tracom Private Limited | 292,372 | 382,689 |
| Gopika Infrastructure LLP | 228,775 | 2,665,807 |



PRUDENT INFRAREALTY PRIVATE LIMITED**(Amount in Rs)**

| Transactions/ Outstanding Balances | Enterprise described in Note 28(a) above | |
|---|---|------------------|
| | 2014 - 15 | 2013 - 14 |
| Loan Given, Received Back | | |
| Aswini Sales Private Limited | 211,739 | - |
| Bangabhumi Construction Private Limited | - | 7,600,000 |
| Bangabhumi Real Estate Private Limited | 15,439,906 | 1,900,000 |
| Bolero Commercial Private Limited | 5,675,684 | 2,100,000 |
| Bluemoon Suppliers Private Limited | 1,221,258 | - |
| Bluemoon Vinimay Private Limited | 40,973 | - |
| Conception Commercial Private Limited | 3,286,882 | - |
| Champion Suppliers Private Limited | 2,530,935 | 1,300,000 |
| Dynamo Developers Private Limited | 10,977,030 | 6,250,000 |
| Goldshine Agencies Private Limited | 42,801,387 | - |
| Greencity Sales Private Limited | 40,973 | - |
| Greentower Management Private Limited | 1,227,613 | - |
| Greentower Retails Private Limited | 1,235,405 | - |
| Greentower Traders Private Limited | 40,973 | - |
| Harmony Vinimay Private Limited | - | 3,484,996 |
| Lifemake Construction Private Limited | - | - |
| Meridian Vintrade Private Limited | 201,852 | - |
| Micrograph Vinimay Private Limited | 21,728,960 | - |
| Nightangle Traders Private Limited | 4,784,436 | 4,700,000 |
| Orient Plaza Private Limited | 9,912,236 | 2,950,000 |
| Pioneer Niwas Private Limited | 3,997,359 | 300,000 |
| Pioneer Property Management Limited | 7,950,864 | 29,100,000 |
| Prudent Enclave Private Limited | 108,987 | - |
| Prudent Heights Private Limited | 99,688 | - |
| Prudent Hirise Private Limited | 105,071 | - |
| Prudent Infraprojects Private Limited | 67,869 | - |
| Prudent Niketan Private Limited | 108,987 | - |
| Prudent Niwas Private Limited | 105,071 | - |
| Prudent Township Private Limited | 67,972 | - |
| Rameshwar Sales Private Limited | 213,011 | - |
| Recreate Traders Private Limited | 324,611 | - |
| Saptarshi Tradelink Private Limited | 212,298 | - |
| Sumit Fiscal Services Private Limited | 32,875,000 | 35,269,180 |
| Vidhan Estates Private Limited | - | - |
| Wrinkle Tracom Private Limited | 347,689 | - |
| Gopika Infrastructure LLP | - | - |
| Loan Taken (Outstanding) | | |
| Highland Agencies Private Limited | - | 2,841,184 |



PRUDENT INFRAREALTY PRIVATE LIMITED

| Transactions/ Outstanding Balances | (Amount in Rs) | |
|---|--|------------|
| | Enterprise described in Note 28(a) above | |
| | 2014 - 15 | 2013 - 14 |
| Loan Given (Outstanding) | | |
| Aswini Sales Private Limited | 1,216,078 | 1,336,296 |
| Bangabhumi Construction Private Limited | - | 1,777,152 |
| Bangabhumi Real Estate Private Limited | - | 1,520,046 |
| Bolero Commercial Private Limited | - | 5,544,080 |
| Bluemoon Suppliers Private Limited | - | 624,500 |
| Bluemoon Vinimay Private Limited | - | 40,000 |
| Conception Commercial Private Limited | - | 3,203,903 |
| Champion Suppliers Private Limited | - | 2,470,323 |
| Dynamo Developers Private Limited | - | 10,977,030 |
| Goldshine Agencies Private Limited | - | 42,119,058 |
| Greencity Sales Private Limited | - | 40,000 |
| Greentower Management Private Limited | - | 630,726 |
| Greentower Retails Private Limited | - | 638,360 |
| Greentower Traders Private Limited | - | 40,000 |
| Harmony Vinimay Private Limited | 10,632,329 | 9,595,965 |
| Lifemake Construction Private Limited | 782,979 | 706,660 |
| Meridian Vintrade Private Limited | 1,129,221 | 1,234,501 |
| Micrograph Vinimay Private Limited | 6,189,553 | 27,028,960 |
| Nightangle Traders Private Limited | 14,906,908 | 18,400,862 |
| Orient Plaza Private Limited | 19,100,285 | 25,788,674 |
| Pioneer Niwas Private Limited | 28,405,005 | 29,940,715 |
| Pioneer Property Management Limited | 24,630,074 | 22,221,583 |
| Prudent Enclave Private Limited | - | 106,604 |
| Prudent Heights Private Limited | - | 97,508 |
| Prudent Hirise Private Limited | - | 102,773 |
| Prudent Infraprojects Private Limited | - | 66,385 |
| Prudent Niketan Private Limited | - | 106,604 |
| Prudent Niwas Private Limited | - | 102,773 |
| Prudent Township Private Limited | - | 66,486 |
| Rameshwar Sales Private Limited | 1,242,436 | 1,349,343 |
| Recreate Traders Private Limited | 2,774,483 | 2,864,648 |
| Saptarshi Tradelink Private Limited | 1,638,155 | 1,711,687 |
| Sumit Fiscal Services Private Limited | 216,729,104 | - |
| Vidhan Estates Private Limited | 2,160,263 | 1,976,663 |
| Wrinkle Tracom Private Limited | 3,471,415 | 3,526,732 |
| Gopika Infrastructure LLP | 3,053,162 | 2,824,387 |
| Salary Paid | | |
| Anshul Khaitan | 1,040,000 | - |
| Priti Khaitan | 1,630,000 | 420,000 |
| Rajendra Khaitan | 850,000 | 420,000 |
| Directors Remuneration | | |
| Ravindra Khaitan | 875,000 | 420,000 |



PRUDENT INFRAREALTY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

29. The Company was a Small and Medium sized company (SMC) as per the Companies (Accounting Standards) Rules, 2006 (as amended) till the previous year. Accordingly, disclosure requirements pertaining to SMC as per the relevant Accounting Standards (AS) had been complied with till the previous year. From current year, as per Section 2(40) of the Companies Act, 2013, financial statements include "cash flow statement". Accordingly, disclosures required under Accounting Standards – 3 on "Cash Flow Statement" have been reported in these financial statements. However, since these accounting standards / applicability of cash flow statement have now become applicable in the current year, the previous year's figures are not given.
30. The break-up of contingent liabilities are as under:

| Particulars | Year Ended 31 March, 2015 | Year Ended 31 March, 2014 |
|------------------------------------|------------------------------|------------------------------|
| Income Tax demanded under Appeal * | 53,886,900 | - |
| Service Tax demand under Appeal * | 2,790,012 | - |
| Total | 56,676,912 | - |

* The contingent liabilities disclosed above are excluding further interest (if any) on disposal of the above appeals. The management believes that the company has a good chance of success in above mentioned cases and hence no provision there against is considered necessary.

31. Effective from 1st April, 2014, the Company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended 31st March, 2015, is higher by Rs. 20,15,129/-.
32. The figures of Previous year were audited by a Chartered Accountant firm other than M S A & Co. Previous year's figures including those in brackets, have been rearranged/regrouped wherever necessary, to conform to current year's classification.

SIGNATURE TO NOTES 1 TO 32

In terms of our report of even date.

for M S A & Co
Chartered Accountants
Firm Registration Number: - 324464E

Rasik Singhania

Rasik Singhania
Partner
Membership No:- 064390



Place: Kolkata
Date:- September 18, 2015

For and on behalf of the Board of Directors

Rajkumar Khaitan

Rajkumar Khaitan
DIN- 00550876

Ravindra Khaitan

Ravindra Khaitan
DIN- 01080498

Rajan Kumar Gupta
Rajan Kumar Gupta
Company Secretary