

# *R. Kothari & Company*

CHARTERED ACCOUNTANTS  
MUMBAI, KOLKATA, NEW DELHI

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS  
M/S EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PRIVATE LIMITED

### Report on the Financial Statements

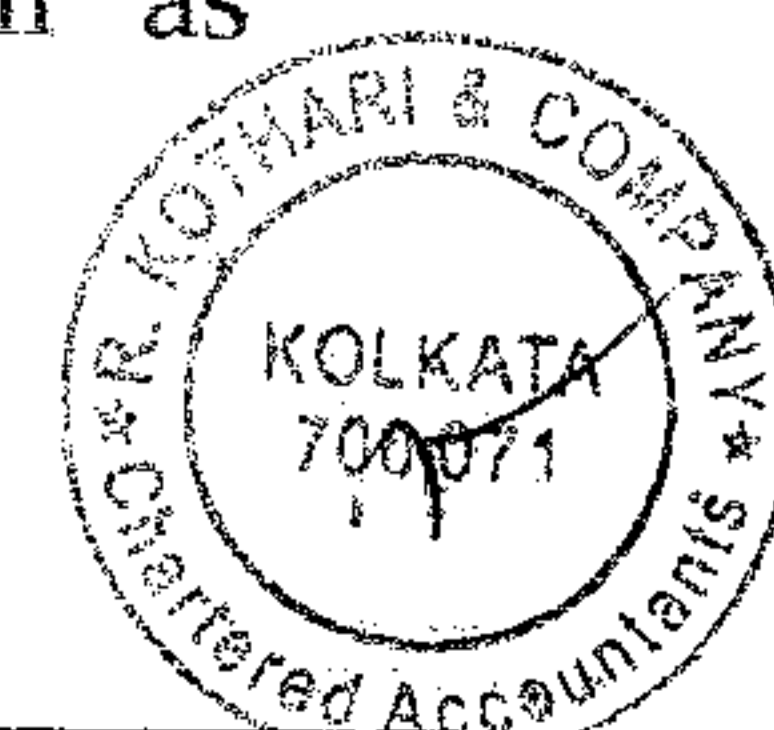
We have audited the accompanying financial statements of **M/S EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2014 and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information. No Statement of Profit & Loss is prepared as per Note No. 11 of the Financial Statements.

### 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 of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

1. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
2. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 said accounts read with the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

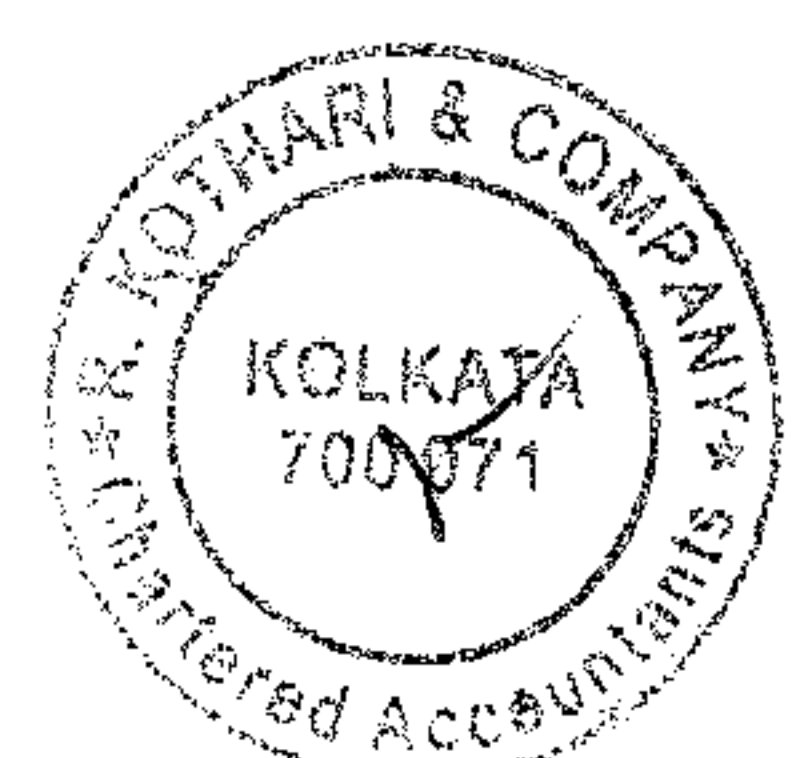
- (a) In the case of **Balance Sheet**, of the state of affairs of the Company as at March 31, 2014;

And

- (b) In the case of the **Cash Flow Statement**, of the cash flows of the Company for the year ended on that date;

### Report on Other Legal and Regulatory Requirements

1. The report does not include a statement on the matter specified in paragraph '4' of the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, since in our opinion and according to the information and explanations give to us , the said order is not applicable to the Company..
2. As required by section 227(3) of the Act, we report that:
  - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii. The Balance Sheet and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- iv. In our opinion, the Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- v. On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For R. Kothari & Company  
Chartered Accountants

FRN: 307069E

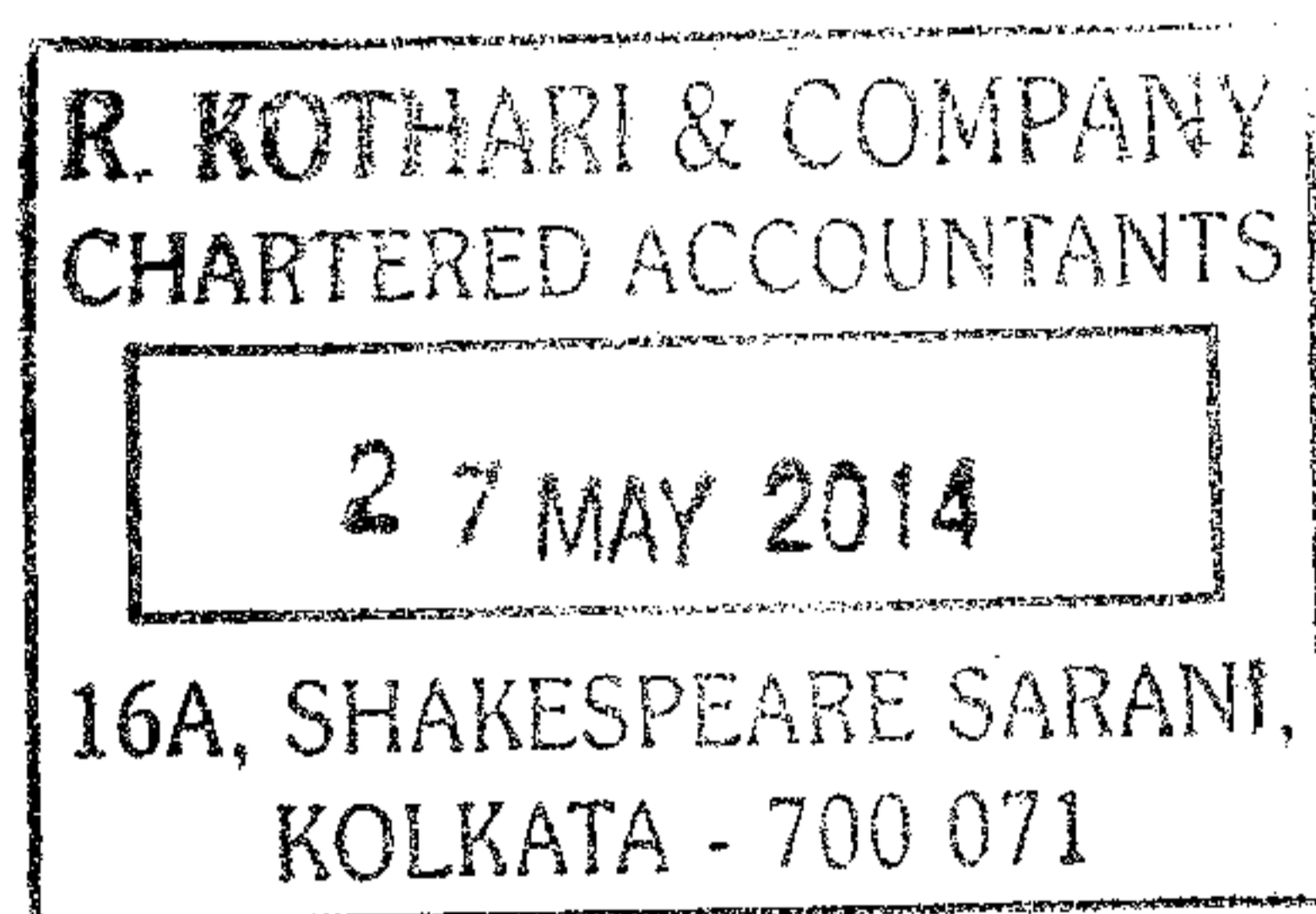


(K. C. Soni)  
Partner

Membership No.: 057620

Place: Kolkata

Date: 27/05/2014



**East Kolkata Infrastructure Development Pvt. Ltd.**  
**Balance Sheet as at March 31, 2014**

Particulars	Notes	31-Mar-14 Amount (in Rs.)	31-Mar-13 Amount (in Rs.)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,000,000	1,000,000
<b>Current Liabilities</b>			
Short Terms Borrowings	3	23,650,000	22,365,000
Trade Payable	4	908,472	917,225
Other Current Liabilities	5	25,408	45,000
		<b>25,583,880</b>	<b>24,327,225</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	6	9,737	11,310
Other Non- Current Assets	7	22,931,977	22,724,981
<b>Current Assets</b>			
Cash & cash equivalents	8	20,641	36,806
Short Term Loans & Advances	9	2,621,525	1,554,128
		<b>25,583,880</b>	<b>24,327,225</b>

Summary of Significant Accounting Policies 1

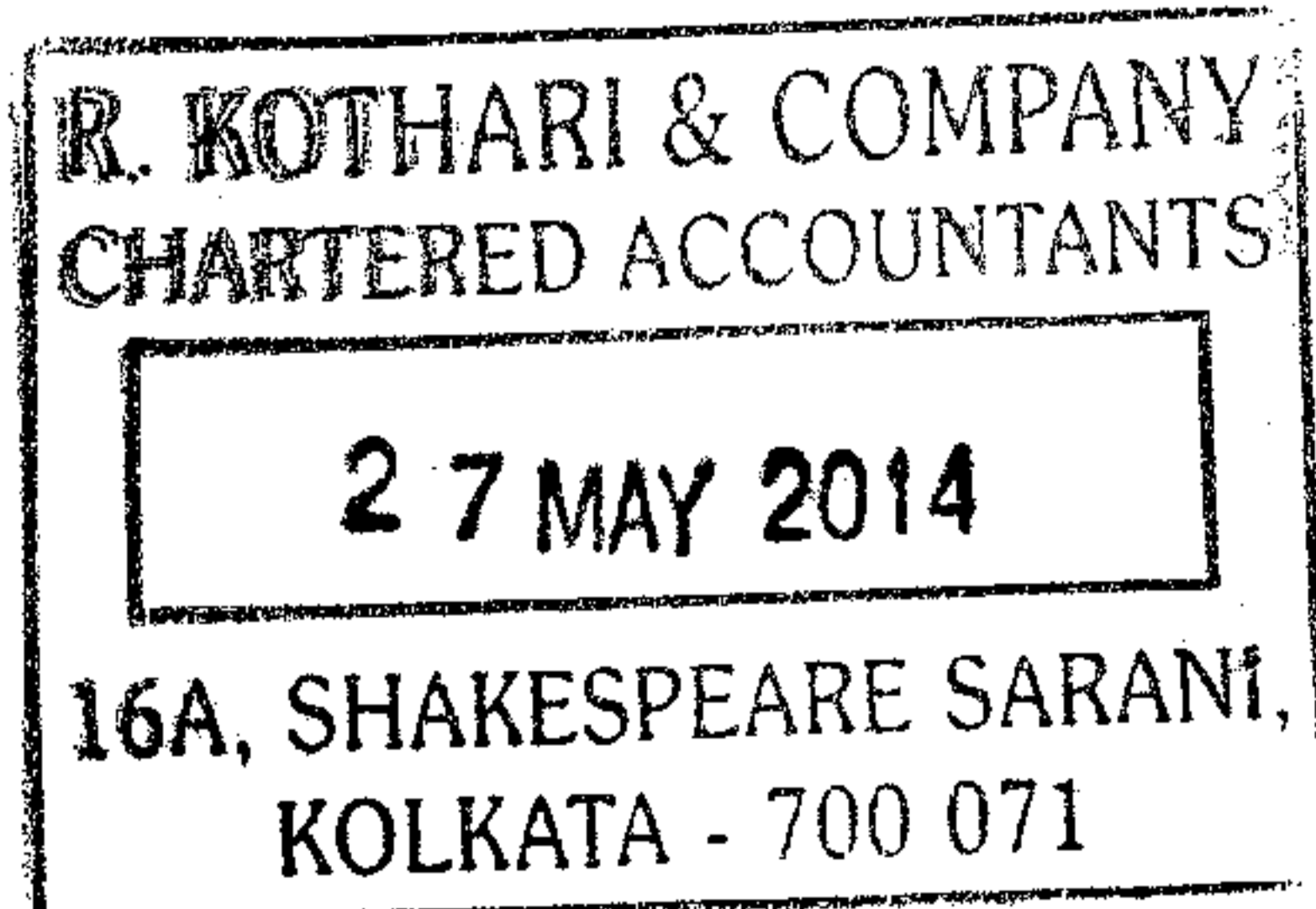
The accompanying notes are integral part of the financial statements  
As per our report of even date annexed

**For R.Kothari & Company**  
Chartered Accountants  
Firm Registration No. 307069E

(CA K.C.Soni)  
Partner  
Membership No.057620



Date : 27/05/2014  
Place : Kolkata



**For and on Behalf of the Board**

*(Signature)*  
Director

*(Signature)*  
Director

**East Kolkata Infrastructure Development Pvt. Ltd.**  
**Cash Flow Statement for the year ended 31.03.2014**

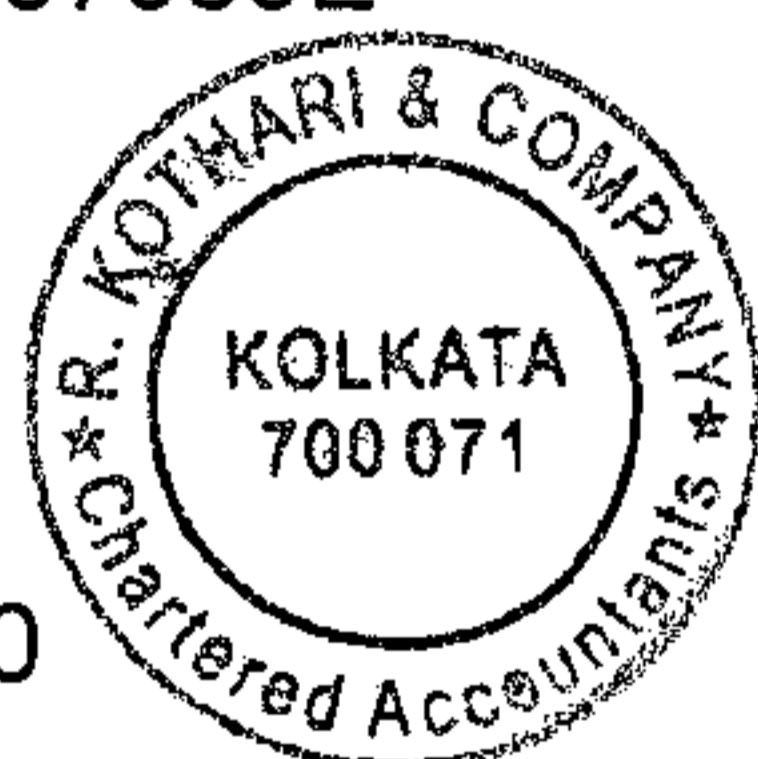
Particulars	31-Mar-14 Amount (Rs.)	31-Mar-13 Amount (Rs.)
<b>A. CASH FLOW OPERATING ACTIVITIES</b>	Nil	Nil
Net Profit/(Loss) before Taxation and Extraordinary activities	-	-
Adjustments for Profit & Loss A/c		
Increase / (Decrease) in depreciation	1,573	1,827
 Operating Profit Before Working Capital Changes		
Adjustments for:		
(Increase) / Decrease in Short Term Loan & Advances	(1,067,397)	(1,050,000)
Increase / (Decrease) in Short Term Borrowings	1,285,000	6,390,000
Increase / (Decrease) in Trade Payables	(8,753)	(2,485,633)
Increase / (Decrease) in Other Current Liabilities	(19,592)	(1,176,050)
<b>Net Cash From Operating Activities</b>	<b>190,831</b>	<b>1,680,144</b>
 <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Pre-operative Expenses	(206,996)	(1,759,206)
Purchase of Fixed Assets	-	-
	<b>(206,996)</b>	<b>(1,759,206)</b>
 <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
 <b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	(16,165)	(79,062)
Opening Cash and cash equivalents	36,806	115,868
Closing Cash and cash equivalents	20,641	36,806
<b>Closing Cash and cash equivalents as per Balance Sheet</b>	<b>20,641</b>	<b>36,806</b>

Note:

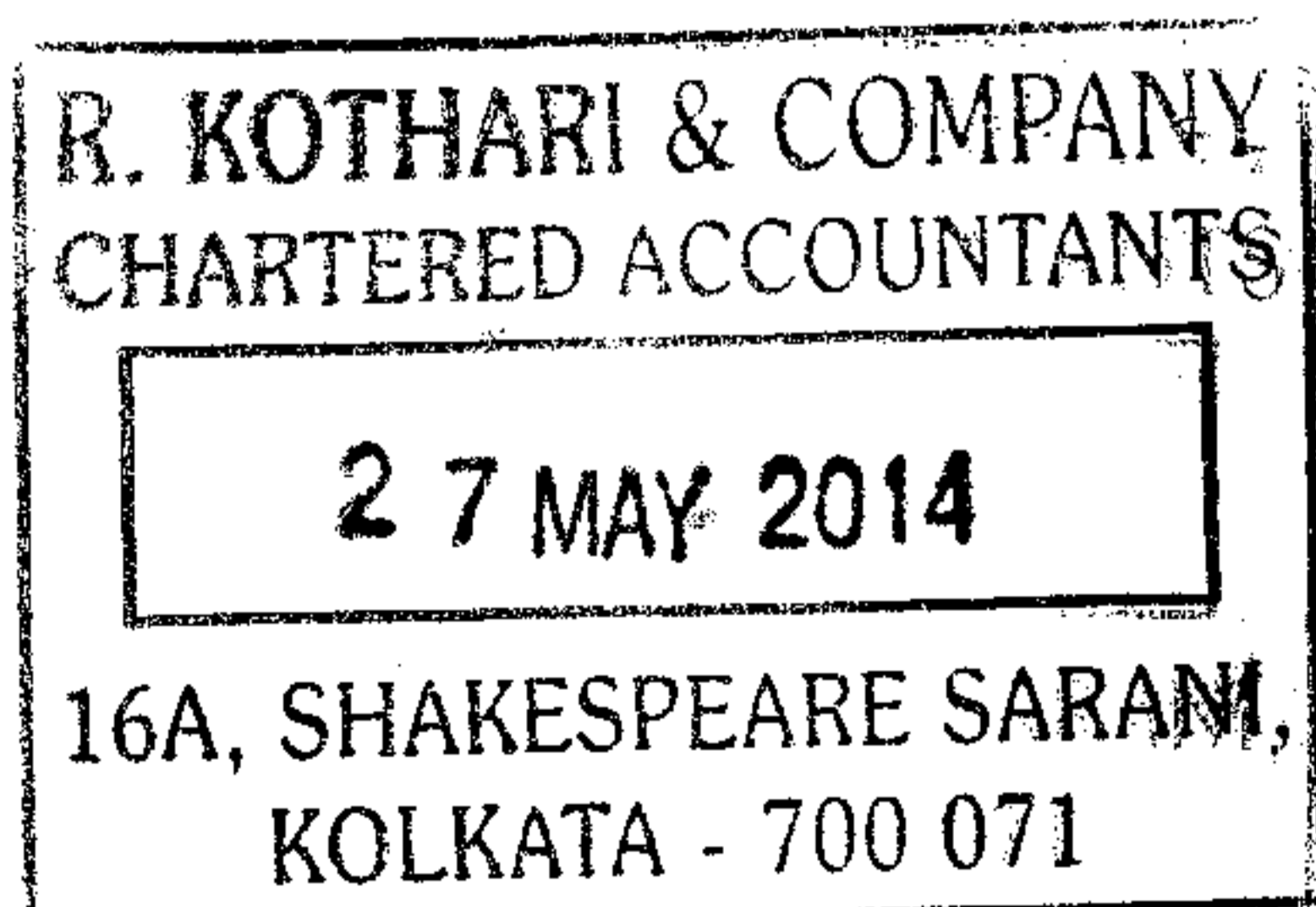
1 Figures in brackets denote cash outflow

**For R.Kothari & Company**  
Chartered Accountants  
Firm Registration No. 307069E

(CA K.C.Soni)  
Partner  
Membership No.057620



Date : 27/05/2014  
Place : Kolkata



**For and on Behalf of the Board**

*(Signature)*      *(Signature)*

Director

Director

# EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PVT. LTD

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2014

### Note -1: Significant Accounting Policies

#### 1. SIGNIFICANT ACCOUNTING POLICIES:

##### 1.1 Basis of Accounting

The Company prepares its financial statements in accordance with generally accepted accounting practices and also in accordance with requirements of Companies Act, 1956.

##### 1.2 Revenue Recognition

All expenses incurred up to the date of commercial operation are recognized as Preoperative Expenses.

##### 1.3 Miscellaneous Expenditure

Miscellaneous Expenditure to the extent not written off is carried forward to be charged to revenue over five years starting from the year of commencement of commercial activity.

##### 1.4 Contingent Liability

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the balance sheet date and a reasonable estimate of the revenue loss can be made. However, all known material contingent liabilities are disclosed by way of separate note.

##### 1.6 Fixed Assets

Fixed Assets are stated at cost inclusive of taxes and other attributable costs up to the date the asset is ready for intended use.

Depreciation on fixed assets is provided on Written down value Method at the rates and manner specified in Schedule XIV to the Companies Act, 1956.

##### 1.7 Taxation

Current Tax is determined on the basis of the amount of tax payable for the year under Income Tax Act. And Deferred Tax is calculated at tax rate and is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

##### 1.8 Borrowing Cost

Borrowing cost relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to bring the assets for their intended use are complete. All other Borrowing costs are charged to revenue.



**East Kolkata Infrastructure Development Pvt. Ltd.**  
Notes to Financial Statements for the year ended 31st March, 2014

	31-Mar-14 Amount (in Rs.)	31-Mar-13 Amount (in Rs.)
<b>Note -2:</b>		
<b>Share Capital</b>		
<i>Authorised</i>		
1,000,000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
1,00,000 (P.Y 1,00,000) Equity Shares of Rs. 10/- each fully paid up in cash	1,000,000	1,000,000
	1,000,000	1,000,000

**a) Rights, Preference, repayability and restriction, if any, on 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 have one vote per share. Dividend if any proposed by the Board of Directors is subject to approval of the share holders in the ensuing AGM. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts in proportion to the no. of equity shares held by them.

**b) Reconciliation of number of Shares outstanding at the beginning and end of the year**

Particulars	March 31, 2014		March 31, 2013	
	Number	Value (in Rs.)	Number	Value (in Rs.)
At the beginning of the year	100,000	1,000,000	100,000	1,000,000
Issued during the year	-	-	-	-
As at the end of the year	100,000	1,000,000	100,000	1,000,000

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

Name of the shareholder	March 31, 2014		March 31, 2013	
	Number	% holding	Number	% holding
Shristi Housing Development Ltd.	95000	95.00%	95000	95.00%

**Note -3 :**

**Short Term Borrowings**

Reyable on Demand*	23,650,000	22,365,000
	23,650,000	22,365,000

\* The above loan is taken from Holding Company i.e Shristi Housing Development Limited

**Note -4 :**

**Trade Payable**

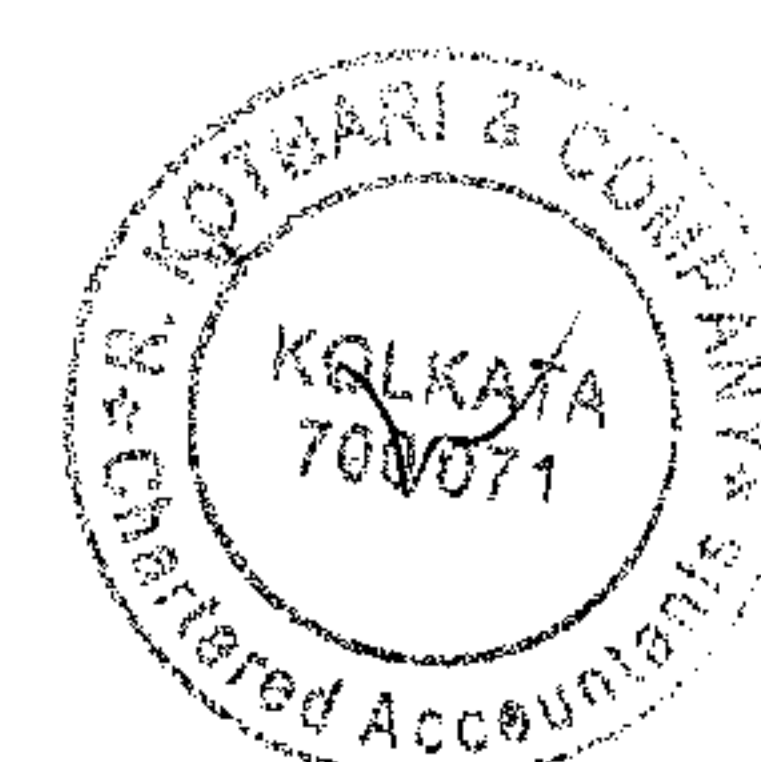
Sundry Creditors	908,472	917,225
	908,472	917,225

**Note -5 :**

**Other Current Liabilities**

Liability for Expenses	10,112	45,000
Duties & Taxes payable	15,296	
	25,408	45,000





East Kolkata Infrastructure Development Pvt. Ltd.  
Notes to Financial Statements for the year ended 31st March, 2014

(Amount in Rs.)

Note - 6 :  
Fixed Assets  
Tangible Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2013	Addition/ (Deduction)	As at 31.03.2014	Upto 31.03.2012	Deprn. for the year	As at 31.03.2014	As At 31.03.2014	As At 31.03.13
Office Equipment	13,800	-	13,800	2,490	1,573	4,063	9,737	11,310
<b>Total</b>	<b>13,800</b>	<b>-</b>	<b>13,800</b>	<b>2,490</b>	<b>1,573</b>	<b>4,063</b>	<b>9,737</b>	<b>11,310</b>
<b>Previous Year</b>	<b>13,800</b>	<b>-</b>	<b>13,800</b>	<b>663</b>	<b>1,827</b>	<b>2,490</b>	<b>11,310</b>	

*[Handwritten signatures]*





**East Kolkata Infrastructure Development Pvt. Ltd.**  
**Notes to Financial Statements for the year ended 31st March, 2014**

	<u>31-Mar-14</u> Amount (in Rs.)	<u>31-Mar-13</u> Amount (in Rs.)
<b>Note 7 :</b>		
<b>Other Non Current Assets</b>		
<b>Pre- operative Expenditure</b>		
Balance Brought Forward	22,560,111	20,800,904
<b>a) Direct Expenses</b>		
Boundary Wall		-
Security Services	165,000	1,008,545
Sub-total - a	22,725,111	21,809,449
<b>b) Administrative Expenses</b>		
Auditor's Remuneration		
- Statutory Audit Fees	10,112	10,112
- Others		185
Service Tax		85,346
Director Sitting Fees		-
Filing Fees	6,640	2,248
Depreciation	1,573	1,827
Professional Fees	19,500	13,000
Bank Charges		194
Travelling & Conveyance		160,393
Interest on TDS	2,956	255
General Expenses	1,215	50,950
Sub-total - b	41,996	324,510
<b>c) Employee Cost</b>		
Staff cost		426,151
Sub-total - c	-	426,151
<b>Total of Pre-operative Expenditure</b>	(a+b+c) 22,767,107	22,560,111
<b>[B] Preliminary Expenses</b>	164,870	164,870
	22,931,977	22,724,981
	22,931,977	22,724,981


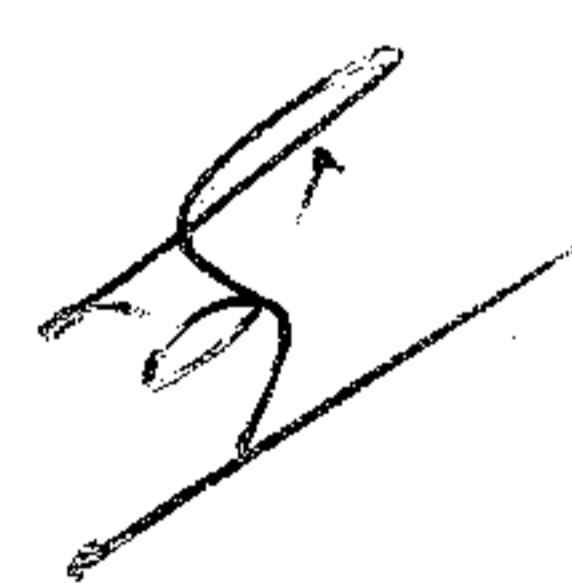
**Note 8 :**  
**Cash & cash equivalents**

Balance with Scheduled Banks in Current Accounts	6,509	16,000
Cash on Hand (As Certified by the Management)	14,132	20,806
	20,641	36,806
	20,641	36,806

**Note 9 :**  
**Short Term Loans & Advances**

(Unsecured, considered good, unless otherwise stated)

TDS Receivable	4,128	4,128
Service tax Input	17,397	
Advances (Recoverable in cash or in kind or for value to be received)	2,600,000	1,550,000
	2,621,525	1,554,128
	2,621,525	1,554,128



# EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PVT. LTD

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2014

10. The company is in the process of finalizing a development agreement with Third Party Pending finalization of terms, all the expenses incurred for the project including amount incurred for boundary wall has been accounted for as pre – operative expenses and shown under Note No. 1. The capital commitment of the company for the said project remains unascertained.
11. The company is yet to commence the commercial operations; hence no Profit & Loss Account has been prepared for the period under review.
12. The Company has not paid any Managerial remuneration to any of the Directors for the period.
13. Contingent liabilities: NIL.
14. Since the company has not yet started any commercial activities and no profit & loss account has been prepared, hence earning per share as per AS – 20, issued by the Institute of Chartered Accountants of India is not considered.

### 15. Related Party Transactions

As per the Accounting Standard – 18, issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions with them have been discussed below:

- a. List of related parties & relationships, where control exists:

**Holding company of reporting Enterprise**  
Shristi Housing Development Limited.

**Ultimate Holding company of Reporting Enterprise**  
Shristi Infrastructure Development Corporation Limited.

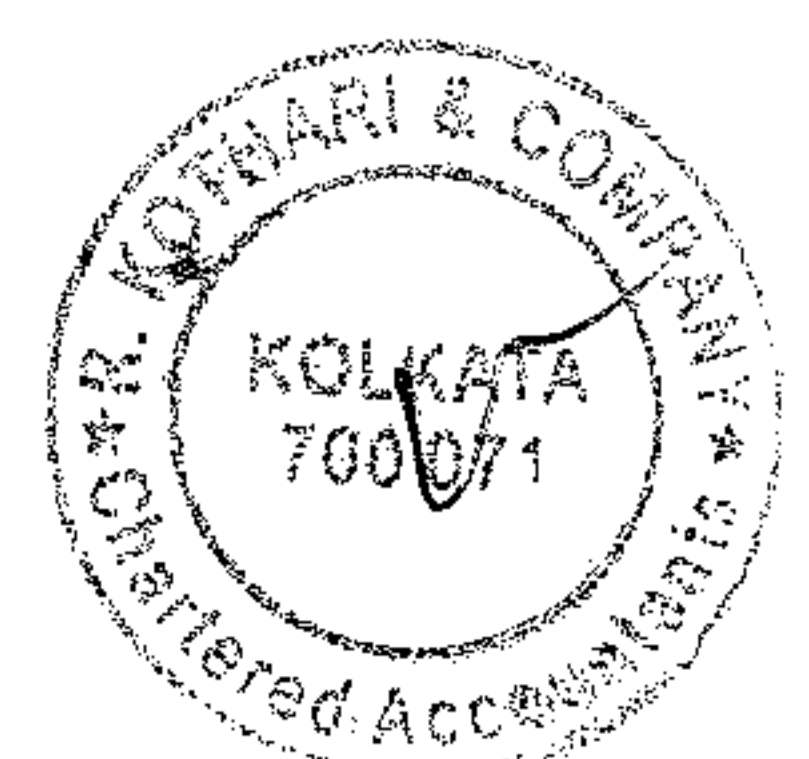
- b. Related parties & relationships with whom transactions have taken place during the year:

**Key Management Personnel**  
Mr. SUNIL JHA: Director  
Mr. RAHUL VARMA: Director

- c. Transactions with Related Parties:

S. No.	Relationship	Nature	As on 31 <sup>st</sup> March 2014 (Rs.)	As on 31 <sup>st</sup> March 2013 (Rs.)
1.	Holding Company	Short term Borrowings	2,36,50,000/-	2,23,65,000/-
		TOTAL	2,36,50,000/-	2,23,65,000/-

16. The Company has identified social infrastructure real estate business as its sole operating segment and the same has been treated as the primary segment. As such no separate segment information is applicable as per the provisions of Accounting Standard – 17 issued by ICAI.
17. Since the company is not having any timing difference as prescribed under Accounting Standard – 22 issued by ICAI hence, provision of Deferred Tax is not required.



# EAST KOLKATA INFRASTRUCTURE DEVELOPMENT PVT. LTD

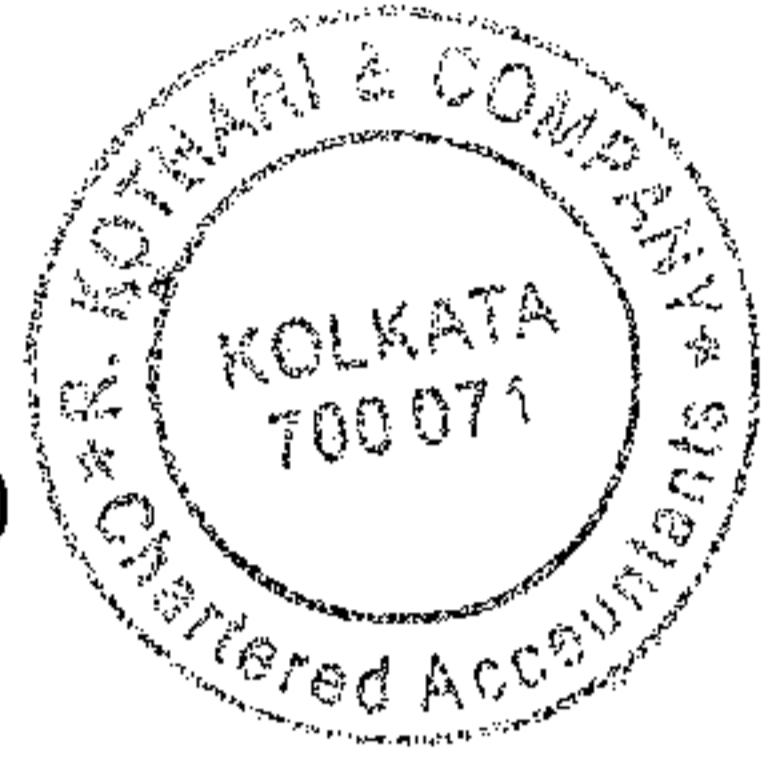
## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2014

18. Previous year figures are regrouped / rearranged wherever necessary as per revised schedule VI.

For R.Kothari & Company  
Chartered Accountants  
Firm Registration No. 307069E

For and on behalf of the Board

(CA. K.C.Soni)  
Partner  
Membership No. 057620  
Place: Kolkata  
Date: 27/05/2014



A handwritten signature in black ink, appearing to be "K.C. Soni".

Director

A handwritten signature in black ink, appearing to be "to".

Director

