

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Shristi Urban Infrastructure Development Limited
New Delhi

Report on the Financial Statements

We have audited the accompanying financial statements of **Shristi Urban Infrastructure Development Limited** ("the company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the 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

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 accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th 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 controls 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 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.

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 the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, 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.

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 principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We invite attention in respect of certain Trade Receivables totaling to Rs.75.44 lacs outstanding for the last 3 years or more, pending for recovery. Our opinion is not qualified in respect of this matter.


Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (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 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) in our opinion, the Balance Sheet, Statement of Profit and Loss and, Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013;



- e) on the basis of written representations received from the directors as on March 31,2014, 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 **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Reg. No. 000756N


Yogesh K. Gupta
Partner
Membership No. 093214



Place : New Delhi
Date : 023/05/2014

ANNEXURE TO THE AUDITOR'S REPORT

(The Annexure referred to in our report to the member of **Shristi Urban Infrastructure Development Limited** on the accounts for the year ended March 31, 2014)

- (i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, the management has carried out physical verification of its fixed assets during the year. In our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification as compared to the books of account.
 - (c) In our opinion & according to information and explanations given to us, the company has not made any disposal of fixed assets during the year.
- (ii) The company does not hold any inventory. Hence, the provisions of Clause 4(ii) (a), (b) & (c) of the order are not applicable to the company.
- (iii)
 - a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore provisions of Clause 4(iii) (a), (b), (c) & (d) of the Order are not applicable to the Company.
 - b) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore provisions of Clause 4(iii) (e), (f), (g) & (h) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regard to rendering of services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the company.
- (v) In our opinion and according to the information and explanations given to us, there is no contract or arrangement that needs to be entered into the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause 4(v)(b) of the order are not applicable to the company.
- (vi) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the company.
- (vii) In our opinion, the company has an in-house internal audit system commensurate with the size and nature of its business and activities.



- (viii) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 in respect of services carried out by the company. Therefore, provisions of Clause 4 (viii) of the order are not applicable to the company.
- (ix) (a) The Company, has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty and Cess, which have not been deposited on account of any dispute.
- (x) The company has no accumulated losses at the end of the financial year. Further, the company has not incurred cash losses during the current financial year and the immediately preceding financial year.
- (xi) The company has not taken any loans from any banks or financial institutions and has not issued debentures. Accordingly the clause 4(xi) of the order is not applicable to the Company.
- (xii) In our opinion and according to the information & explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Hence, the provisions of Clause 4(xiii) of the Order are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) As per information and explanations given to us, the company has not given any guarantee for any loan taken by others from banks or financial institutions.
- (xvi) The company has not taken any term loans from any bank or financial institutions. Accordingly the clause 4(xvi) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.



- (xviii) According to the information and explanation given to us, during the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4 (xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- (xx) The company has not raised any money by way of public issue. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) Based upon the audit procedure performed for the purpose of reporting the true and fair view and on the basis of 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 **S. S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No. 000756N


Yogesh K. Gupta

Partner

Membership No. 093214



Place : New Delhi

Date : 23-05-2014


SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED
Balance Sheet as at March 31, 2014

| Particulars | Note No. | As at 31.03.2014 Amount (in Rs.) | As at 31.03.2013 Amount (in Rs.) |
|------------------------------------|----------|-------------------------------------|-------------------------------------|
| I. EQUITY & LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 2 | 50,000,000 | 50,000,000 |
| (b) Reserve and Surplus | 3 | 3,281,598 | 3,275,880 |
| (2) Non-Current Liabilities | | | |
| (a) Long term Provisions | 4 | 332,899 | 268,719 |
| (2) Current Liabilities | | | |
| (a) Short Term Borrowings | 5 | 16,046,513 | 13,286,513 |
| (b) Trade Payable | 6 | 3,570,832 | 3,626,853 |
| (c) Other Current Liabilities | 7 | 9,215,375 | 7,581,355 |
| (d) Short Term Provisions | 8 | 11,622 | 11,622 |
| Total | | 82,458,839 | 78,050,942 |
| II. Assets | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| Tangible Assets | 9 | 120,195 | 163,011 |
| (b) Non-Current Investments | 10 | 30,000,000 | 30,000,000 |
| (c) Deferred Tax Assets (net) | | 93,143 | 68,181 |
| (d) Long Term Loans and Advances | 11 | 193,382 | 97,857 |
| (e) Other Non-Current Assets | 12 | 14,738 | 2,565 |
| (2) Current Assets | | | |
| (a) Trade Receivables | 13 | 47,473,823 | 41,562,328 |
| (b) Cash and Bank Balances | 14 | 532,403 | 3,409,455 |
| (c) Short Term Loans and Advances | 15 | 4,031,155 | 2,747,545 |
| Total | | 82,458,839 | 78,050,942 |

The Accompanying Notes are integral part of Financial Statements

As per our report of even date attached.
For S.S.KOTHARI MEHTA & CO.
Chartered Accountants
Firm Regn. No. 000756N


YOGESH K GUPTA
Partner
Membership No. 093214



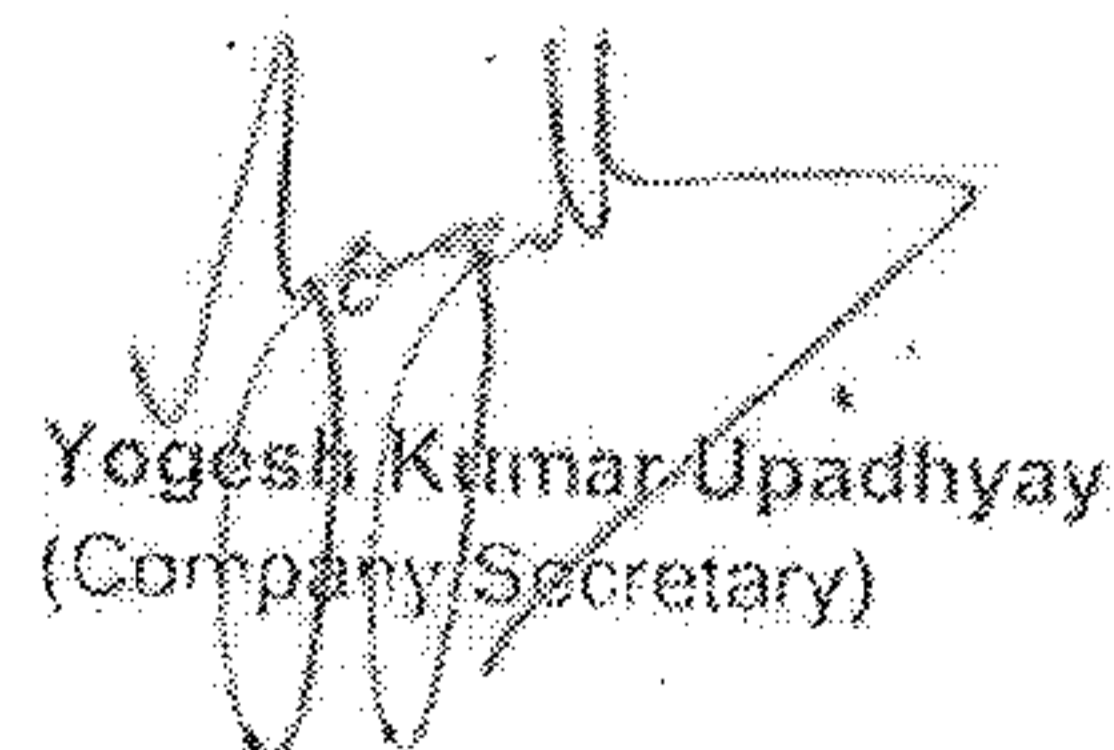
Place : New Delhi
Date : 23-05-2014

For & on Behalf of the Board


Sujit Kanoria
(Director)


K.N. Pandey
(Director)


Rajesh Goel
(Director)

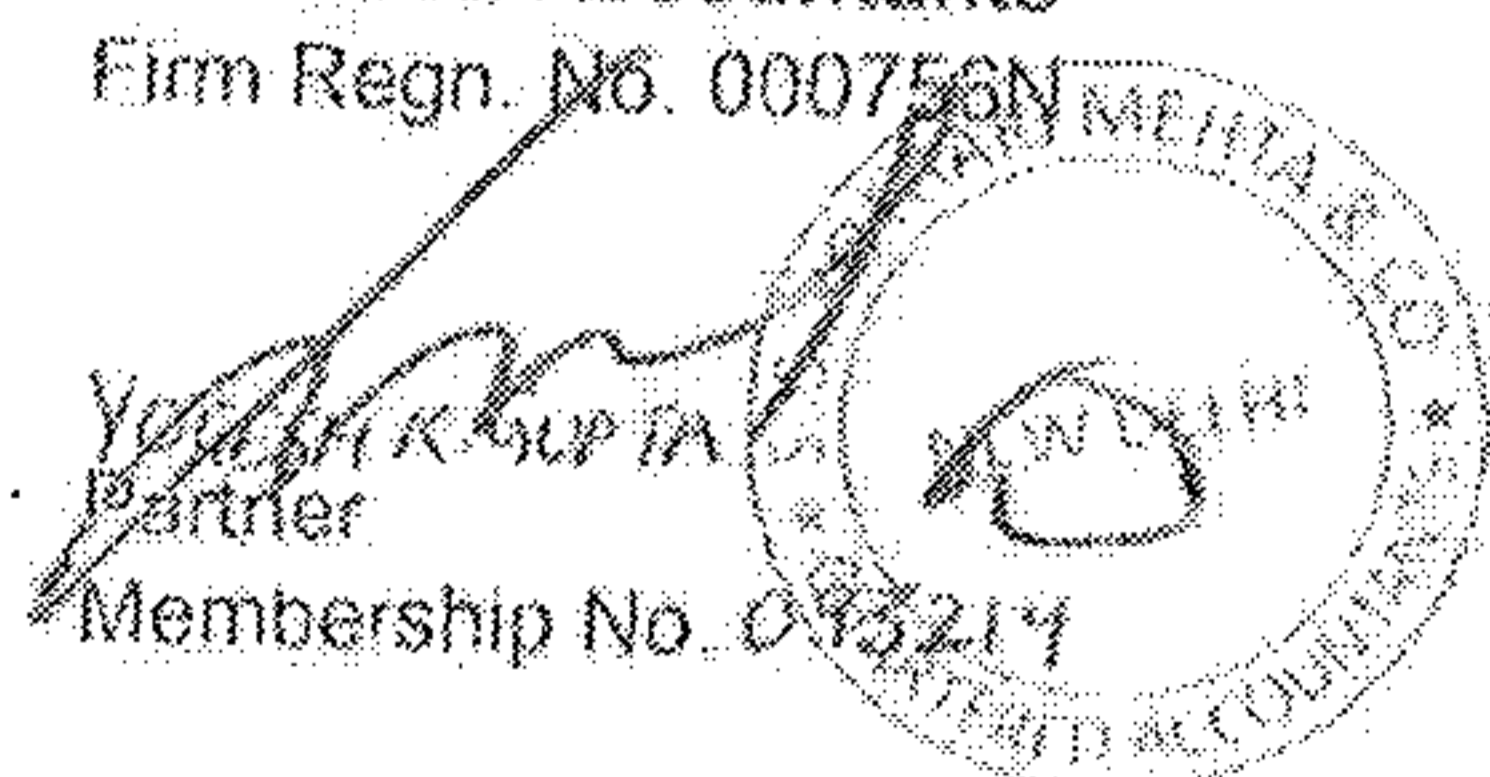

Yogesh Kumar Upadhyay
(Company Secretary)

SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED
Statement of Profit & Loss for the year ended March 31, 2014.

| Particulars | Note No. | Year ended March 31, 2014 (Rs.) | Year ended March 31, 2013 (Rs.) |
|---|--------------|---------------------------------------|---------------------------------------|
| INCOME | | | |
| I. Revenue from operations | 16 | 18,491,975 | 15,150,346 |
| II. Other Income | 17 | 25,551 | 12,140 |
| III. Total Revenue(I+II) | | 18,517,526 | 15,162,486 |
| EXPENSES | | | |
| Employee benefit expenses | 18 | 3,813,216 | 3,159,962 |
| Finance cost | 19 | 2,071,530 | 1,979,809 |
| Depreciation and amortization expenses | 9 | 42,816 | 54,679 |
| Other expense | 20 | 12,564,869 | 9,866,365 |
| IV. Total Expenses | | 18,492,431 | 15,060,815 |
| V. Profit/(Loss) before exceptional and extraordinary items and tax | (III - IV) | 25,095 | 101,671 |
| VI. Exceptional items | | - | - |
| VII. Profit before extraordinary items and tax | (V - VI) | 25,095 | 101,671 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax | (VII - VIII) | 25,095 | 101,671 |
| X. Tax Expenses:- | | | |
| - (1) Current tax | | 32,717 | 41,561 |
| - (2) Earlier tax | | - | - |
| - (3) Deferred tax | | (24,962) | 596 |
| XI. Profit/(Loss) of the period from Continuing operation after tax | (IX - X) | 17,340 | 59,514 |
| XII. Profit/(Loss) from Discontinuing operation | | - | - |
| XIII. Tax expense of discounting operation | | - | - |
| XIV. Profit/(Loss) from Discontinuing operations | (XII-XIII) | - | - |
| XV. Profit/(Loss) for the period | (XI-XIV) | 17,340 | 59,514 |
| XVI. Earning per Equity Share (Face value of Rs. 10 each) | | | |
| (1) Basic | | 0.003 | 0.01 |
| (2) Diluted | | 0.003 | 0.01 |

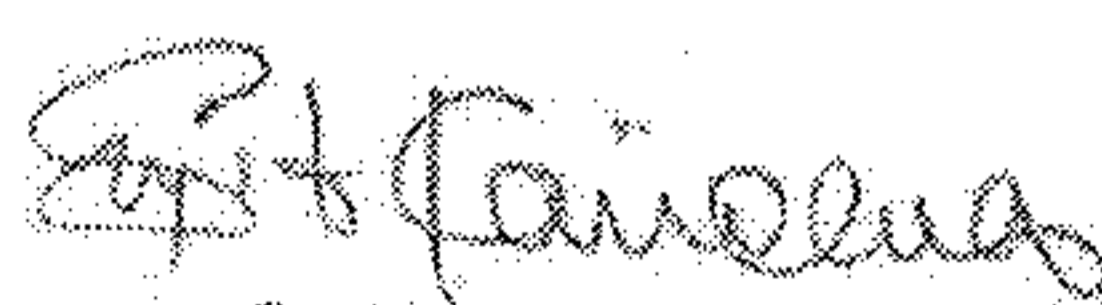
The Accompanying Notes are integral part of Financial Statements

As per our report of even date attached.
For S.S.KOTHARI MEHTA & CO,
Chartered Accountants
Firm Regn. No. 000756N



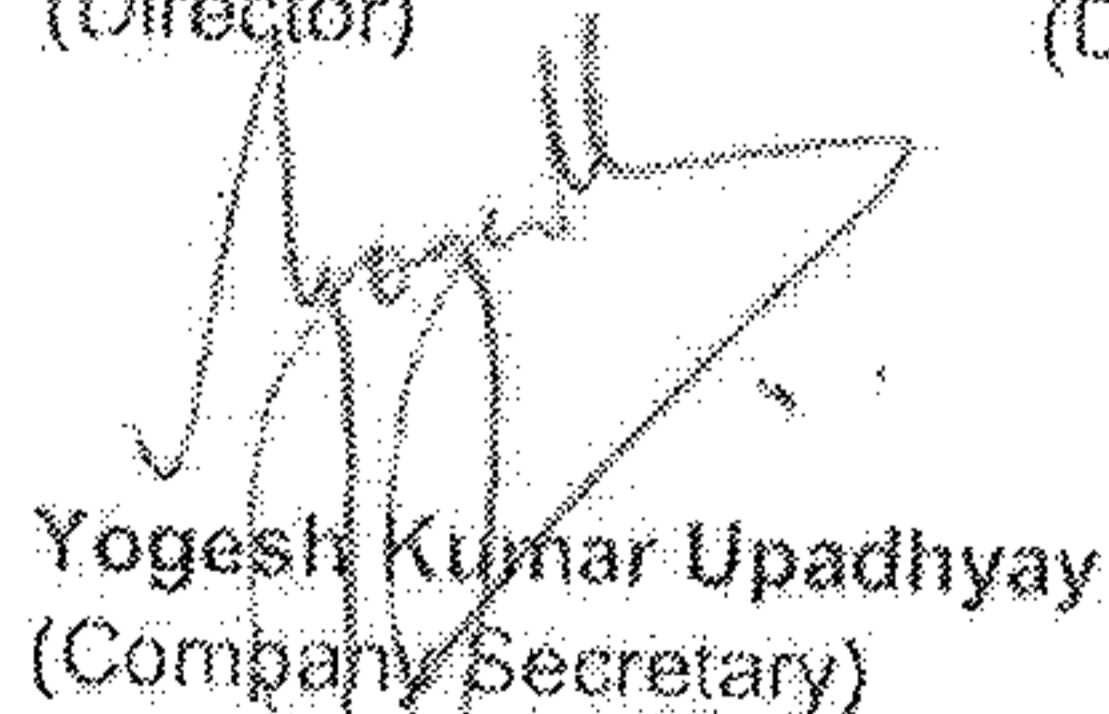
Place : New Delhi
Date : 23-05-2014

For & on Behalf of the Board


Sujit Kanoria
(Director)


K.N. Pandey
(Director)


Rajesh Goel
(Director)


Yogesh Kumar Upadhyay
(Company Secretary)

SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED
Cash Flow Statement for the year ended March, 2014

| | Year Ended March 31, 2014 Amount (Rs.) | Year Ended March 31, 2013 Amount (Rs.) |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before tax and extraordinary items | 25,095 | 101,671 |
| Adjusted for : | | |
| Depreciation | 42,816 | 54,679 |
| Sundry Balances written off (Net) | 10 | 10,000 |
| Interest Income | (25,551) | (12,140) |
| Interest Paid - Other | 2,056,366 | 1,961,754 |
| Operating Profit before working capital changes | 2,098,736 | 2,115,964 |
| (Increase) / Decrease in Trade Receivables | (5,911,505) | (3,708,285) |
| (Increase) / Decrease in Short Term Loans & Advances | (576,937) | (73,453) |
| (Increase) / Decrease in Long Term Loans & Advances | (95,525) | - |
| Increase / (Decrease) in Trade Payables | (56,021) | 1,196,895 |
| Increase / (Decrease) in Other Current Liabilities | (353,830) | 853,524 |
| (Increase) / Decrease in Other non current assets | - | - |
| Increase / (Decrease) in Long term provisions | 64,180 | (22,869) |
| Increase / (Decrease) in Short term provisions | - | - |
| Cash generated from operations | (4,830,902) | 271,776 |
| Income Taxes paid (including dividend tax) | (741,012) | 477,115 |
| NET CASH FROM OPERATING ACTIVITIES | (5,571,914) | 748,891 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | - | (20,500) |
| Change in Fixed Deposits | (210,822) | (12,171) |
| NET CASH USED IN INVESTING ACTIVITIES | (210,822) | (32,671) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Proceeds from short Term Borrowings | 2,760,000 | 2,475,513 |
| Interest Received | 13,378 | 13,385 |
| Dividend paid | (10,000) | (50,000) |
| Interest Paid - Other | (68,516) | (154,771) |
| D. NET CASH USED IN FINANCING ACTIVITIES | 2,694,862 | 2,284,127 |
| Change in Cash and Cash Equivalents | (3,087,874) | 3,000,347 |
| Opening Balance of Cash and Cash equivalents | 3,272,284 | 271,937 |
| Closing Balance of Cash and Cash equivalents | 184,410 | 3,272,284 |

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statement" issued by the ICAI
- Figures in bracket denote cash outflow

As per our report of even date attached.

For S.S.KOTHARI MEHTA & CO.

Chartered Accountants

Firm Regn. No. 000756N

YOGESH K. GUPTA
Partner

Membership No. 073217

Place: New Delhi

Date: 23-05-2014



For & on Behalf of the Board

Sujit Kanoria

Sujit Kanoria
(Director)

K.N. Pandey

K.N. Pandey
(Director)

Rajesh Gopal

Rajesh Gopal
(Director)

Yogesh Kumar Upadhyay

Yogesh Kumar Upadhyay
(Company Secretary)

SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

Notes to Financial Statements

Note – I Significant Accounting Policies & Practices

A. BACKGROUND AND NATURE OF OPERATIONS

The company was incorporated on June 20th, 2005 as a joint venture (JV) in the ratio of 60:40 between Shristi Infrastructure Development Corporation Limited ("SIDCL") and Housing And Urban Development Corporation Limited (HUDCO") respectively, in order to promote, establish, monitor, collaborate, construct, either through public and/or private participation, and to act as special purpose vehicle (SPV) for entering into understanding and joint ventures with various Central and State Governments, their corporations, technology and domain experts, in and outside India, for development, creation, expansion and modernization of housing, commercial, social and Urban Development facilities. Further the shares held by SIDCL got transferred to Shristi Housing Development Limited w.e.f 31.03.2009.

B. SIGNIFICANT ACCOUNTING POLICIES

i) ACCOUNTING CONVENTIONS

The financial statements are prepared under the historical cost convention as a going concern and in and in accordance with the relevant disclosure requirements of the Companies Act, 1956 and are consistent with the generally accepted accounting principles. Income and expenditure are accounted for on accrual basis. The financial statements have been prepared to comply in all applicable respects of mandatory accounting standards as prescribed by Companies (Accounting Standards) Rules, 2006 under sub-section (3C) of the section 211 of the Companies Act, 1956 read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013.

ii) All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

iii) USE OF ESTIMATES

The presentations of financial statements in conformity with the Generally Accepted Accounting Principle: requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the year in which the results are known/ materialized.

iv) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. Income from services

Revenue is recognized when significant milestones are achieved as per terms of contracts / agreements with the clients. Amount realized against the invoices raised to the customers before commencement of assignments are shown as advance from customers under the head



SHIRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

of current liability. Direct project expenditure incurred on assignments not completed at the end of the year is carried forward as project-in-progress.

b. Interest

Interest is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

c. Dividends

Dividend is recognized when shareholders'/ unit holder's rights to receive payment is established by the Balance Sheet date.

v) **FIXED ASSETS**

Fixed Assets are stated at cost of acquisition /purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, etc. up to the date the asset is ready for its intended use. Credit of duty, if availed is adjusted in the acquisition cost of the respective fixed assets.

vi) **DEPRECIATION**

a. Depreciation on fixed assets is provided on Written Down Value Method as per the rates specified in Schedule XIV to the Companies Act, 1956.

b. Depreciation on additions/deductions is provided from the date of their acquisition/ up to the date of their disposal.

c. Assets individually costing below Rs.5,000/- are fully depreciated during the year they are put to use.

vii) **FOREIGN EXCHANGE TRANSACTIONS**

a. Foreign currency transactions are recorded at exchange rates prevailing on the date of such transactions.

b. Foreign currency monetary assets and liabilities remaining unsettled at the year end are translated at the closing exchange rate. Gain and losses on account of exchange difference either on settlement or on translation is recognized in the relevant head of Profit & Loss account.

c. Non-monetary items denominated in foreign currency are reported using exchange rate prevailing on the date of transactions.

viii) **EMPLOYEE BENEFITS**

Gratuity and Leave Encashment are provided for on accrual basis computed as per Actuarial Valuation made at the end of each financial year in accordance with AS-15 (Revised).

ix) **BORROWING COST**

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as apart of those assets. Other Borrowing Costs are recognized as an expense in the period to which they relate.



SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

x) INVESTMENTS

Investments are classified into long term or current. Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are valued at lower of cost and market rate on individual investment basis.

xi) TAXATION

Income tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax as stated below

a) Current Tax

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.

b) Deferred Tax

- i. Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- ii. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

xii) LEASES

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

xiii) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xiv) CASH FLOW STATEMENT

Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash



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SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.

xv) PROVISIONS, CONTINGENT LIABILITES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement



SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

Notes to Financial Statements

Note 2: Share Capital

Authorised :

5,000,000 (Previous year 5,000,000) Equity Shares of Rs. 10/- each

Issued, Subscribed & Paid-Up:

5,000,000 (Previous year 5,000,000) Equity Shares of Rs. 10/- each fully paid up

Out of the above 2,999,960 (Previous Year 2,999,960) shares are held by the holding company

Shares issued/boughtback during the year: NIL

As At
March 31, 2014
Amount (Rs.)

As At
March 31, 2013
Amount (Rs.)

50,000,000

50,000,000

50,000,000

50,000,000

50,000,000

50,000,000

Details of each shareholder holding more than 5% shares

| Name of shareholder | As at 31st March 2014 | | As at 31st March 2013 | |
|--|-----------------------|--------------|-----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Shristi Housing Development Private Limited- Holding Company | 2,999,960 | 59.999 | 2,999,960 | 59.999 |
| Housing & Urban Development Corporation Limited (HUDCO) | 2,000,000 | 40.000 | 2,000,000 | 40.000 |

Note 3 : Reserve & Surplus

Profit & Loss

Opening Balance

Add: Profit for the year

Less: Proposed dividend

Less: Provision for Dividend Tax

Closing Balance

3,275,880

17,340

3,293,220

10,000

1,622

3,281,598

3,281,598

3,227,988

59,514

3,287,502

10,000

1,622

3,275,880

3,275,880

Note 4 : Long term Provisions

Provision for Leave Encashment

Provision for Gratuity

158,395

174,504

332,899

138,038

130,681

268,719

Note 5 : Short term borrowings

Unsecured Loan

-From Holding company

16,046,513

16,046,513

13,286,513

13,286,513

(Principal & Interest are repayable on demand bearing interest rate of 14% per annum.)

There is no default as on Balance Sheet date in repayment of Loan.

Note 6: Current Liabilities and Provisions

Trade payable

-Dues to Micro and Small Enterprises

-Dues to other than Micro and Small Enterprises

3,570,832

3,570,832

3,626,853

3,626,853

Note 7: Other Current liabilities

Interest Accrued on borrowings

Expenses payable

Duties & Taxes payable

4,765,666

913,316

3,536,393

9,215,375

2,777,816

799,982

4,003,557

7,581,355

Note 8 :Short term Provisions

-Provision for Dividend

-Provision for Dividend Tax

10,000

1,622

11,622

10,000

1,622

11,622



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SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

Notes to Financial Statements

Note 9 : Tangible Assets

Amount (Rs.)

| Particulars | Gross Carrying Value | | | Depreciation | | | Net Carrying Value | | |
|-------------------|----------------------|---------------------------|----------------------------|--------------------|----------------------|---------------|--------------------|--------------------|----------------------|
| | As at April 1, 2013 | Additions during the year | Deductions during the year | As at Mar 31, 2014 | Up to March 31, 2013 | For the Year | As at Mar 31, 2014 | As at Mar 31, 2014 | As at March 31, 2013 |
| Computers | 983,913 | - | - | 983,913 | 910,640 | 29,310 | 939,950 | 43,963 | 73,273 |
| Office Equipments | 157,597 | - | - | 157,597 | 92,297 | 9,082 | 101,379 | 56,218 | 65,300 |
| Office Furniture | 41,927 | - | - | 41,927 | 17,489 | 4,424 | 21,913 | 20,014 | 24,438 |
| Total | 1,183,437 | - | - | 1,183,437 | 1,020,426 | 42,816 | 1,063,242 | 120,195 | 163,011 |
| Previous year | 1,183,437 | - | - | 1,183,437 | 965,747 | 54,679 | 1,020,426 | 163,011 | |



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SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

| | Nos. | As At March 31, 2014 Amount (Rs.) | Nos. | As At March 31, 2013 Amount (Rs.) |
|--|------------|---|------------|---|
| Note 10 : Non-current Investments (Fully paid unless otherwise specified) | | | | |
| Long Term, Trade | | | | |
| -Unquoted | | | | |
| - In Subsidiary Company | | | | |
| - In Equity Shares | | | | |
| Shristi Udaipur Hotels & Resorts (P) Ltd of Rs. 10/-each | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |
| Total | | <u>30,000,000</u> | | <u>30,000,000</u> |
| Note 11: Long Term Loans and Advances | | | | |
| Advance recoverable in cash or in kind or for value to be received | | 193,382 | | 97,857 |
| | | <u>193,382</u> | | <u>97,857</u> |
| Note 12: Other Non-Current Assets | | | | |
| Interest Accrued but not due | | 14,738 | | 2,565 |
| | | <u>14,738</u> | | <u>2,565</u> |
| Note 13: Trade Receivables | | | | |
| Unsecured and Considered good | | | | |
| -Outstanding for a period exceeding six months from the date they are due for payment | 28,272,904 | | 24,539,372 | |
| -Others | 19,200,919 | 47,473,823 | 17,022,956 | 41,562,328 |
| Note 14: Cash and Bank Balances | | | | |
| A- Cash & Cash Equivalent | | | | |
| Cash-in-hand | | 36,232 | | 1,025 |
| Balances with Banks | | | | |
| - in Current Accounts | | 148,178 | | 3,270,459 |
| B- Other Bank Balances | | | | |
| - in Fixed Deposits* | | 347,993 | | 137,171 |
| | | 532,403 | | 3,409,455 |
| *Pledged with bank as margin money against bank guaranteed Rs. 1,25,000/- BG expired pending for release (Previous year Rs. 1,25,000/-) & FD amounting to Rs. 2,00,000/- given as EMD (Previous year NIL) | | | | |
| Fixed deposits having maturity after one year from the reporting date - Nil (Previous year - Nil) | | | | |
| Fixed deposits with more than twelve months maturity from the date of acquisition : Rs. 3,47,993/- (Previous year 1,37,171/-) and Fixed deposits upto 3 months maturity from the date of acquisition - Rs. Nil (Previous year - Nil) | | | | |
| Note 15: Short term loans and advances | | | | |
| Unsecured and Considered good | | | | |
| Earnest Money Deposit | | 424,911 | | 414,191 |
| Advances to staff and other | | 846,734 | | 268,047 |
| Prepaid Expenses | | - | | 8,989 |
| Income Tax Advances, Tax Deducted at Source | | 2,001,533 | | 1,294,860 |
| *Net of Provisions for Income Tax Rs. 32,717 (Previous year 41,561) | | | | |
| Advance recoverable in cash or in kind or for value to be received | | 757,977 | | 761,458 |
| | | <u>4,031,155</u> | | <u>2,747,545</u> |



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SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

Notes to Financial Statements

Note 16: Revenue from operations

| | Year ended March 31, 2014 Amount (Rs.) | Year ended March 31, 2013 Amount (Rs.) |
|--------------------|--|--|
| Consultancy Income | 18,491,975 | 15,150,346 |
| | <u>18,491,975</u> | <u>15,150,346</u> |

Note 17: Other Income

| | | |
|-----------------|---------------|---------------|
| Interest Income | 25,551 | 12,140 |
| | <u>25,551</u> | <u>12,140</u> |

Note 18: Employee benefit expense

| | | |
|--|------------------|------------------|
| Salaries, Wages, Gratuity & staff cost | 3,768,242 | 3,112,844 |
| Staff Welfare | 44,974 | 47,118 |
| | <u>3,813,216</u> | <u>3,159,962</u> |

Note 19: Finance cost

| | | |
|------------------------------|------------------|------------------|
| Interest -to Holding company | 2,049,330 | 1,955,135 |
| Other Interest | 7,036 | 6,619 |
| Bank Charges | 15,164 | 18,055 |
| | <u>2,071,530</u> | <u>1,979,809</u> |

Note 20: Other expense

| | | |
|--|-------------------|------------------|
| Professional Consultancy Fees | 10,473,399 | 1,300,658 |
| Tender expenses | 104,317 | 79,156 |
| Books & Periodicals | 16,618 | 11,689 |
| Festival Expenses | 10,350 | 74,307 |
| Repair & Maintenance | | 2,100 |
| Postage, Telephone & Internet charges | 109,023 | 117,100 |
| Travelling, Boarding & Conveyance expenses | 1,332,039 | 1,716,159 |
| Advertisement & Business Promotion | 35,819 | 49,309 |
| Fee, Membership & Subscription | 8,989 | 3,371 |
| Printing & Stationery Expenses | 18,886 | 136,578 |
| Sundry Balances written off (Net) | 10 | 10,000 |
| Miscellaneous Expenses | 3,310 | 4,069 |
| Insurance Expenses | 1,146 | 1,636 |
| Office Rent | 180,000 | 184,000 |
| Legal & Professional Charges | 173,265 | 69,335 |
| Payment to Auditors: | | |
| -Audit Fee | 90,000 | 101,124 |
| Filing Fees | 7,698 | 5,774 |
| | <u>12,564,869</u> | <u>9,866,365</u> |



SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

21. Contingent Liabilities:

Bank Guarantee: Guarantees given by bank on behalf of the company amounting to Rs. 1,25,000/- (Previous Year - 1,25,000/-).

Claim by a party amounting to Rs. 20,08,312/- (Previous year Rs. 18,63,550/-) not acknowledged as debt by the company.

22. In respect of the trade receivables exceeding six months which are mostly from government authorities, the company is in regular communication with these debtors for recovery thereof; accordingly the management is of the view that all these dues are good and fully recoverable, hence no provision in this regard has been considered necessary.

23. Balances of certain debtors and creditors are in the process of confirmation/reconciliation.

24. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

25. As per the information available with the company, there are no dues to any Micro & Small enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 as on 31.03.2014. Further no interest has been paid during the year and payable as on 31st march, 2014 to such parties.

26. Employee Benefits

The Company has defined retirement benefit for the benefit of its employees. The provisions made as per Actuarial valuation.

Disclosures as required by Accounting Standard-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

a) Net expenses recognized during the year 2013-14

| Particulars | Leave Encashment (Non-Funded) (Rs.) | | Gratuity (Non-Funded) (Rs.) | |
|---------------------------------------|---|-----------------|-----------------------------------|-----------------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| - Current service cost | 20,072 | 23,971 | 37,886 | 36,748 |
| - Interest cost | 13,339 | 12,636 | 13,733 | 12,578 |
| - Expected return on plan assets | -- | -- | -- | -- |
| - Curtailment cost/(credit) | -- | -- | -- | -- |
| - Settlement cost/(credit) | -- | -- | -- | -- |
| - Past Service Cost | -- | -- | -- | -- |
| - Actuarial (gain)/loss on obligation | 23,906 | 1,11,183 | (7,796) | 88,300 |
| Total | 57,317 | 1,47,790 | 43,823 | 1,37,626 |



Handwritten signatures of the company's management.

SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

b) Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03.2014:

| Particulars | Leave Encashment (Non-Funded) (Rs.) | | Gratuity (Non-Funded) (Rs.) | |
|---|---|------------|-----------------------------------|------------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| - Present value of Defined Benefit Obligation | 1,58,395 | 1,38,038 | 1,74,504 | 1,30,681 |
| - Fair value of plan assets | -- | -- | -- | -- |
| - Funded status [Surplus/(Deficit)] | (1,58,395) | (1,38,038) | (1,74,504) | (1,30,681) |
| - Unrecognized Past Service Costs | -- | -- | -- | -- |
| - Estimated Net asset/(liability) recognized in balance sheet | (1,58,395) | (1,38,038) | (1,74,504) | (1,30,681) |

c) Change in the obligation for the year ended 31.03.2014

| Particulars | Leave Encashment (Non-Funded) (Rs.) | | Gratuity (Non-Funded) (Rs.) | |
|--|---|------------|-----------------------------------|------------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| - Present value of Defined Benefit Obligation as at the beginning of the year (01.04.2013) | 1,38,038 | 1,42,764 | 1,30,681 | 1,48,824 |
| - Interest cost | 13,339 | 12,636 | 13,733 | 12,578 |
| - Past service cost | -- | -- | -- | -- |
| - Current service cost | 20,072 | 23,971 | 37,886 | 36,748 |
| - Curtailment cost/(Credit) | -- | -- | -- | -- |
| - Settlement cost/(Credit) | -- | -- | -- | -- |
| - Benefits paid | (36,960) | (1,52,516) | -- | (1,55,769) |
| - Actuarial (gain)/loss on obligation | 23,906 | 1,11,183 | (7,796) | 88,300 |
| - Present value of Defined Benefit Obligation as at the end of the year (31.03.2014) | 1,58,395 | 1,38,038 | 1,74,504 | 1,30,681 |

d) Changes in fair value of Plan Assets

| Particulars | Leave Encashment (Non-Funded) (Rs.) | | Gratuity (Non-Funded) (Rs.) | |
|---|---|----------|-----------------------------------|----------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| - Plan asset at the beginning of the year | -- | -- | -- | -- |
| - Expected return of plan assets | -- | -- | -- | -- |
| - Actual company contributions | 36,960 | 1,52,516 | -- | 1,55,769 |



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SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

| | | | | |
|--------------------------------------|----------|------------|----|------------|
| - Employee contribution | -- | -- | -- | -- |
| - Actuarial Gain/Loss on Plan Assets | -- | -- | -- | -- |
| - Benefits paid | (36,960) | (1,52,516) | -- | (1,55,769) |
| - Plan assets at the end of the year | -- | -- | -- | -- |

e) Principal actuarial assumption

| Particulars | Leave Encashment (Non-Funded) (Rs.) | | Gratuity (Non-Funded) (Rs.) | |
|---|---|---------|-----------------------------------|---------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| - Discount rate per annum compound | 8.25% | 8.25% | 8.25% | 8.25% |
| - Rate of increase in Salaries | 5.00% | 5.00% | 5.00% | 5.00% |
| - Rate of return on plan assets | 0% | 0% | 0% | 0% |
| - Expected Average remaining working lives of employees (years) | 15.83 | 16.83 | 15.83 | 16.83 |

In view of the management, eligibility for sick leave is insignificant based on the past experience; hence no provision in this regard has been considered necessary.

27. The Company is primarily engaged in the business of "Consultancy Services", which as per Accounting Standard - 17 on "Segment Reporting" is considered to be only reportable business segment. As the Company revenue from Indian Markets is more than 90% of the total revenue, there are no reportable geographical segments. All the assets are also located in India.

28. Related Party Transactions:

As per Accounting Standard- 18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

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

- i. **Holding company of Reporting Enterprise**
Shristi Housing Development Limited (SHDL) (Formerly Shrivasa Infra Private Limited)
- ii. **Ultimate Holding Company**
Shristi Infrastructure Development Corporation Limited (SIDCL)
- iii. **Subsidiary company of Reporting Enterprise**
Shristi Udaipur Hotels & Resorts Private Limited (SUHRPL)



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SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

iv. **Investing Party of Reporting Enterprise:**
Housing & Urban Development Corporation Limited

v. **Fellow Subsidiaries:**
Border Transport Infrastructure Development Limited
Vivekananda Skyroad Limited
East Kolkata Infrastructure Development Private Limited
Kanchan Janga Integrated Infrastructure Development Private Limited
World City Development Private Limited
Medi-net Services Private Limited
Vitthal Hospital Private Limited
Vipani Hotels & Resorts Private Limited
Finetune Engineering Services Private Limited

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

Key Management Personnel
Mr. Sunil Gaur (Manager)

c. **Transactions with Related Parties**

| S. No. | Relationship | Nature of Expenses | Amount | Current Year (Rs.) | Previous Year (Rs.) |
|--------|---|---------------------------|--------|--------------------|---------------------|
| 1. | Holding Company | Unsecured Loan taken | | 78,60,000/- | 97,11,161/- |
| | | Interest on Loan | | 20,49,330/- | 19,55,135/- |
| | | Closing Balance | | | |
| 2. | Subsidiary Company | Interest Payable | | 47,65,666/- | 27,77,816/- |
| | | Unsecured Loan | | 1,60,46,513/- | 1,32,86,513/- |
| | | Closing Balance | | | |
| 3. | Key Management Personnel (Mr. Sunil Gaur) | Reimbursement of Expenses | | 7,53,657/- | 7,53,657/- |
| | | Investment in Equity | | 3,00,00,000/- | 3,00,00,000/- |
| | | Reimbursement of Expenses | | 7,53,657/- | 7,53,657/- |
| | | Managerial Remuneration | | 5,00,772/- | 4,59,756/- |
| | | Closing Balance | | | |
| | | Amount Payable | | 36,957/- | 34,796/- |



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SHRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

| | | | | |
|----|-------|---------------------|-----|---------|
| 4. | HUDCO | EMD | NIL | 75000/- |
| | | Closing Balance EMD | NIL | 75000/- |

29. Earning Per Share

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|--|--------------------|---------------------|
| Profit after tax as per P & L A/c | 17,340/- | 59,514/- |
| Weighted average number of Equity Shares outstanding | 50,00,000 | 50,00,000 |
| Basic & Diluted Earning per share | 0.003 | 0.01 |

30. The company has recognized following deferred tax assets and liabilities determined on account of timing differences in accordance with Accounting Standard – 22 "Accounting of taxes on Income"

| Particulars | As At 31st March 2014 (Rs.) | As At 31st March 2013 (Rs.) |
|---|-----------------------------|-----------------------------|
| Fixed assets | 9,723 | 14,853 |
| Deferred Tax Liability (A) | 9,723 | 14,853 |
| Preliminary Expenses U/s35D | NIL | NIL |
| Difference due to Sec.43B | 1,02,866 | 79,360 |
| Disallowance of Expenses u/s 40 (a) (ia) | - | - |
| Deferred Tax Asset (B) | 1,02,866 | 79,360 |
| NET DEFERRED TAX ASSETS/(LIABILITY) (B- A) | 93,143 | 64,507 |

31. Additional information pursuant to the provisions of part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) – NIL

32. Previous year figures have been regrouped/ recast/rearranged wherever necessary to conform to this year's classification.



SHIRISTI URBAN INFRASTRUCTURE DEVELOPMENT LIMITED

33. Note no. 1 to 33 form an integral part of the financial statements.

As per our report of even date attached.

For S. S.Kothari Mehta & Co.

On behalf of the Board

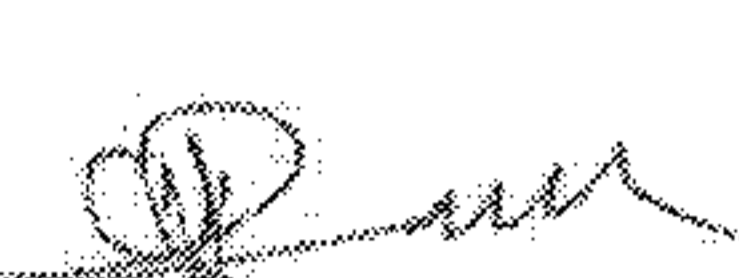
Chartered Accountants


Firm Regn No. 000756N


YOGESH K. GUPTA
Partner
Membership No. 093214



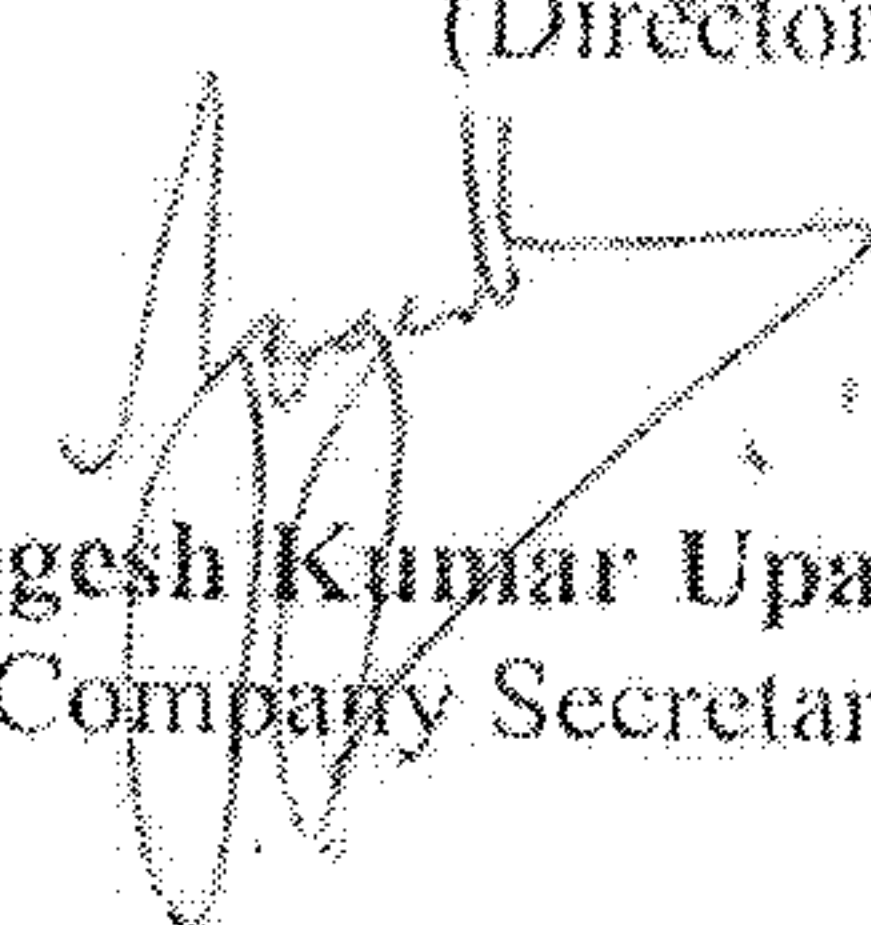
Sujit Kanoria
(Director)


K.N. Pandey
(Director)


Rajesh Goel
(Director)

Place: New Delhi

Date: 23-05-2014


Yogesh Kumar Upadhyay
(Company Secretary)