

AUDITORS' REPORT

To,

The Members  
ARSS Developers Limited  
Bhubaneswar

1. We have audited the attached Balance Sheet of ARSS DEVELOPERS LIMITED, Bhubaneswar as at 31<sup>st</sup> March, 2011 and also the annexed Profit & Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by 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, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit.



- ii) In our opinion, proper books of the account as required by Law have been kept by the Company so far as appears from our examination of those books.
- iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the applicable Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act 1956.
- v) On the basis of written representations received from the directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) sub-section (i) of section 274 of the Companies Act 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) In case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011 and
  - b) In case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.

For P. A. & Associates  
Chartered Accountants  
Firm Regn. No. 313085E

Bhubaneswar  
The 11<sup>th</sup> May, 2011



  
[ CA. H. Dash ]  
Partner  
Membership No. 063523

**Annexure referred to in paragraph 3 of our report of even date**  
[Re : ARSS DEVELOPERS LIMITED, "the Company"]

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, which however is not complete.
- (b) All the assets have not been physically verified by the management during the year. But, as informed to us, the fixed assets of the company have been physically verified by the management in accordance with a phased programme of verification covering each asset at least once in every three years. In our opinion the frequency of verification is reasonable having regard to the size of the Company and nature of its assets. As informed to us no material discrepancies were noticed on such physical verification.
- (c) Based on the information and explanations given to us, we are of the opinion that the company during the year has not disposed off any substantial part of fixed assets so as to affect its going concern status.
- ii) (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of its business.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventory and the discrepancies between physical stock and book records arising out of physical verification, were not material.
- iii) (a) According to the information and explanations given to us, the company has granted loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 50.00 Lacs and the balance at the end of the year of loan to such party was nil.





- (b) In our opinion and according to the information provided to us the aforesaid loan is interest free and other terms and conditions on which loans have been granted by the company are not *prima facie* prejudicial to the interest of the company.
- (c) According to the information and explanations given to us, the above loan was repayable on demand and has been repaid during the year.
- (d) The company had taken loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 45.19 Crores lacs and the balance at the end of the year of loan taken from such parties were Rs. 24.99 Crores.
- (e) In our opinion and according to the information provided to us the aforesaid loans are interest free and other terms and conditions on which loans have been taken by the company are not *prima facie* prejudicial to the interest of the company.
- (f) According to the information and explanations given to us, the above loan was repayable on demand.
- 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 inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- v) In respect of contracts or arrangements to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that :
  - (a) The particulars of contracts or arrangements that needed to be entered in the register, maintained under the said section have been so entered.
  - (b) The transactions made in pursuance of contracts or arrangements entered in the register maintained U/s 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.



- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit covered under Section 58A & 58AA of the Companies Act, 1956 from the public during the year.
- vii) The company does not have an Internal Audit System.
- viii) According to the information and explanation given to us, the Central Govt. has not prescribed the maintenance of cost records U/s 209 (1) (d) of the Companies Act, 1956 in respect of operation carried out by the company.
- ix) (a) According to the information and explanation given to us and on the basis of our examination of the books of accounts, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, employees' state insurance, Income Tax, VAT, Service Tax, Excise Duty and other Material Statutory dues applicable to it.  
(b) According to the information and explanations given to us and on the basis of our examination of the books of accounts, no undisputed amounts payable in respect of the aforesaid dues were in arrear as at 31<sup>st</sup> March 2011 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 disputed statutory dues, which have not been deposited.
- x) The company does not have any accumulated losses at the end of the financial year and has also not incurred cash losses during the financial year covered by our audit. However, the Company had incurred cash loss of Rs. 9,15,754/- in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holder.
- xii) In our opinion and according to information and explanations given to us and based on our examination and documents and records, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture and other securities.
- xiii) In our opinion and according to the information and explanations given to us, the company is not a chit fund or a *nidhi* / mutual benefit fund / Society. Therefore, the provision of Clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.



- xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of Clause 4 (xiv) of the Company (Auditors Report) Order, 2003 are not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for any loan for others.
- xvi) Based on information and explanations given to us and based on our examination of records, the term loans have been applied for the purpose for which they were obtained.
- xvii) Based on information and explanations given to us and on an over all examination of balance sheet of the company, in our opinion, no funds raised on short-term basis have been used for long term investment.
- xviii) According to the information and explanations given to us, 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.
- xix) Based on our examination of records and information and explanations given to us, the company has not issued debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
- xx) The Company has not raised any money through a public issue during the year. Therefore, the provisions of clause 4(xx) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
- xxi) To the best our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For P. A. & Associates  
Chartered Accountants  
Firm Regn. No. 313085E

Bhubaneswar  
The 11<sup>th</sup> May, 2011



  
[ CA. H. Dash ]  
Partner  
Membership No. 063523

## ARSS DEVELOPERS LIMITED

## Balance Sheet as at 31st March

	Schedule No.	2011 RUPEES	2010 RUPEES
<b>I. SOURCES OF FUNDS</b>			
1. Shareholder's Fund			
a) Share Capital	1	64,697,500	63,430,000
b) Reserves & Surplus	2	210,000,421	-
2. Loan Funds			
Unsecured Loan	3	775,450,000	4,860,000
3. Deferred Tax Liability	4	127,253	-
		<u>1,050,275,174</u>	<u>68,290,000</u>
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed Assets			
a) Gross Block	5	2,948,724	194,465
b) Less: Depreciation		59,683	481
b) Net Block		<u>2,889,041</u>	<u>193,984</u>
2. Investment	6	122,845,840	-
3. Current Assets, Loans & Advances			
a) Inventory	7	186,874,099	64,376,472
b) Sundry Debtors	8	34,542,336	-
c) Cash & Bank Balances	9	254,605,095	114,837
d) Loans & Advances	10	461,348,421	3,543,000
		<u>937,369,951</u>	<u>68,034,309</u>
4. Current Liabilities & Provisions :			
a) Liabilities	11	7,233,330	986,528
b) Provisions	12	6,055,328	-
		<u>13,288,658</u>	<u>986,528</u>
5. Net Current Assets		924,081,294	67,047,782
6. Profit & Loss Account		-	916,235
7. Miscellaneous Expenditure (To the extent not written off or adjusted)	13	459,000	132,000
		<u>1,050,275,174</u>	<u>68,290,000</u>
<b>III. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>			
	19		

The schedules referred to above form an integral part of the Balance Sheet

As per our separate report of even date

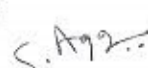
For P. A. & Associates  
Chartered Accountants  
Firm Regn. No: 313085E


  
(CA H. Dash)  
Partner  
Membership No : 063523

Bhubaneswar  
The 11th day of May' 2011

For and on behalf of the Board

  
(Rajesh Agarwal)  
Mg. Director

  
(Sunil Agarwal)  
Director

  
(H.P. Rout)  
Company Secretary



# ARSS DEVELOPERS LIMITED

Profit and Loss Account for the year ended on 31st March

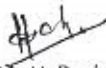
	Schedule No.	2011 RUPEES	2010 RUPEES
I. INCOME			
a) Sales		189,172,736	-
b) Other Income	14	1,021,620	-
		<u>190,194,356</u>	<u>-</u>
II. EXPENDITURE			
a) Cost of Sales	15	151,370,483	-
b) Personnel Expenses	16	5,410,246	434,115
c) Administrative Expenses	17	11,504,815	463,582
d) Selling Expenses	18	2,320,874	18,057
e) Depreciation		59,202	481
		<u>170,665,619</u>	<u>916,235</u>
III. PROFIT /(LOSS) BEFORE TAXATION		19,528,737	(916,235)
IV. PROVISION FOR TAX			
a) Current Tax		6,055,328	-
b) Deferred Tax		127,253	-
V. PROFIT /(LOSS) AFTER TAXATION		13,346,156	(916,235)
VI. BALANCE BROUGHT FORWARD FROM		(916,235)	-
VII. BALANCE CARRIED TO BALANCE SHEET		12,429,921	(916,235)
VIII. EARNING PER SHARE (Face value Rs.10/-)			
Basic		5.22	-
Diluted		5.22	-
IX. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	19		

The schedules referred to above form an integral part of the Profit & Loss Account


As per our separate report of even date

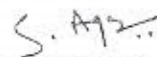
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Firm Regn. No: 313085E

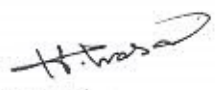
For and on behalf of the Board

  
(CA. H. Dash)  
Partner

Membership No : 063523

  
(Rajesh Agarwal)  
Mg. Director

  
(Sunil Agarwal)  
Director

  
(H.P. Rout)  
Company secretary

Bhubaneswar  
The 11th day of May 2011





# ARSS DEVELOPERS LIMITED

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH

	2011 RUPEES	2010 RUPEES
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
Authorised 100,00,000 equity shares Rs.10/- each.	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed & Paid up 64,39,750 (P. Y. 70,000)equity shares Rs.10/- each fully paid up in cash	64,397,500	700,000
Share Application Money	300,000	62,730,000
	<u>64,697,500</u>	<u>63,430,000</u>
<b>SCHEDULE - 2 : RESERVE AND SURPLUS</b>		
Share Premium	197,570,500	-
Profit & Loss Account	12,429,921	-
	<u>210,000,421</u>	<u>-</u>
<b>SCHEDULE - 3 : UNSECURED LOAN</b>		
From Companies under same management,Directors, their relatives and others	775,450,000	4,860,000
	<u>775,450,000</u>	<u>4,860,000</u>
<b>SCHEDULE - 4 : DEFERRED TAX LIABILITY</b>		
As on 01.04.2010	-	-
Addition during the Year	127,253	-
	<u>127,253</u>	<u>-</u>



## SCHEDULE - 5 : FIXED ASSETS

SL. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 1st April 2010 RUPEES	Additions during the year RUPEES	As at 31st March 2011 RUPEES	As at 1st April 2010 RUPEES	Additions during the year RUPEES	As at 31st March 2011 RUPEES	As at 31st March 2011 RUPEES	As at 31st March 2010 RUPEES	As at 31st March 2010 RUPEES
1	Buildings	-	1,250,000	1,250,000	-	686	686	1,249,314	-	-
2	Plant & Machinery	86,956	535,052	622,008	423	11,921	12,344	609,664	86,533	-
3	Computer	-	600,392	600,392	-	29,853	29,853	570,539	-	-
4	Furniture & Fixtures	107,509	187,875	295,384	58	6,805	6,863	288,521	107,451	-
5	Vehicles	-	180,940	180,940	-	9,936	9,936	171,004	-	-
		194,465	2,754,259	2,948,724	481	59,202	59,683	2,889,041	193,984	-
6	PREVIOUS YEAR	-	194,465	194,465	-	481	481	193,984	-	-



# ARSS DEVELOPERS LIMITED

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH

### SCHEDULE - 6 : INVESTMENT

	2011 RUPEES	2010 RUPEES
In Subsidiary Companies	7,818,400	-
In Joint Ventures	66,367,440	-
In other companies	48,660,000	-
	<u>122,845,840</u>	<u>-</u>

### SCHEDULE - 7 : INVENTORY

(As certified by the management)

WIP	186,874,099	64,376,472
(Valued at Cost)		
	<u>186,874,099</u>	<u>64,376,472</u>

### SCHEDULE - 8 : SUNDRY DEBTORS

(Unsecured considered good)

Debts Outstanding for a period of more than six months		
Other debts	34,542,336	-
	<u>34,542,336</u>	<u>-</u>

### SCHEDULE - 9 : CASH AND BANK BALANCE

Cash in hand	785,298	9,151
(As certified by Management)		
Balance with Schedule Bank		
in current account	163,619,798	105,686
in FDR	90,200,000	
	<u>254,605,095</u>	<u>114,837</u>

### SCHEDULE - 10 : LOANS AND ADVANCES

(Unsecured but considered good)

Advance Recoverable in cash or in Kind or for value to be received	461,348,421	3,543,000
	<u>461,348,421</u>	<u>3,543,000</u>





# ARSS DEVELOPERS LIMITED

## SCHEDULE 11 PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH

	2011 RUPEES	2010 RUPEES
<b>SCHEDULE 11 CURRENT LIABILITIES</b>		
Sundry Creditors	1,607,004	723,626
Creditors for Expenses	5,026,326	262,902
Advance received from customers	600,000	-
	<u>7,233,330</u>	<u>986,528</u>
<b>SCHEDULE 12 PROVISION</b>		
Provision for Tax	6,055,328	-
	<u>6,055,328</u>	<u>-</u>
<b>SCHEDULE 13 MISCELLANEOUS EXPENDITURE</b>		
Preliminary Expenses (To the extent not written off or adjusted)	459,000	132,000
	<u>459,000</u>	<u>132,000</u>
<b>SCHEDULE 14 OTHER INCOME</b>		
Interest Income	996,980	-
Others	24,640	-
	<u>1,021,620</u>	<u>-</u>
<b>SCHEDULE 15 COST OF SALES</b>		
Opening Stock	64,376,472	6,160,493
Add: Purchases	259,674,143	58,215,979
	<u>324,050,615</u>	<u>64,376,472</u>
Less Closing Stock	186,874,099	64,376,472
	<u>137,176,516</u>	<u>-</u>
Labour Charges	10,098,718	-
Carriage Inward	295,155	-
Electricity	221,786	-
Other Expenses	3,578,308	-
	<u>151,370,483</u>	<u>-</u>



**ARSS DEVELOPERS LIMITED**

## SCHEDULES TO PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH

	<u>2011</u>	<u>2010</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<b>SCHEDULE - 16 : PERSONNEL EXPENSES</b>		
Salary & Wages	5,346,128	434,115
Staff Welfare	64,118	-
	<u>5,410,246</u>	<u>434,115</u>

**SCHEDULE - 17: ADMINISTRATIVE EXPENSES**

Travelling & Conveyance	120,109	63,621
Telephone	65,125	7,544
Printing & Stationery	76,116	15,211
Bank Charges & Commission	6,816,055	88,340
Rent		90,000
Repair & Maintenance	1,143,826	7,240
Payment to Auditors :		
As audit fees	110,300	27,575
Misc. Expenses	3,173,284	164,051
	<u>11,504,815</u>	<u>463,582</u>

**SCHEDULE - 18: SELLING EXPENSES**

Advertisement	247,864	18,057
Business promotion expenses	14,800	-
Service Tax	2,058,210	-
	<u>2,320,874</u>	<u>18,057</u>



## SCHEDULE -19: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF PREPARATION.

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of the Companies Act, 1956 ('the Act'), to the extent applicable.

#### 2. USE OF ESTIMATES.

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 3. INVESTMENTS

Investments are classified as long term or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Trade investments are the investments made for or to enhance the Company's business interests. Current investments are stated at lower of cost and fair value determined on an individual investment basis. Long-term investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statements

#### 4. FIXED ASSETS

Fixed assets are stated at cost of acquisition, and subsequent improvement thereto inclusive of taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation. Fixed assets retired from active use and held for disposal are stated at lower of net book value and estimated net realizable value.





## 5. DEPRECIATION

Depreciation on fixed assets is provided on Straight Line Method at the rate and manner prescribed in schedule-XIV to the Companies Act, 1956. Depreciation on addition / deletion during the year is provided on pro-rata basis.

## 6. IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

## 7. BORROWING COSTS

Borrowing costs attributable to the borrowings made towards working capital requirement are recognized as an expense in the period in which they are incurred.

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

## 8. INVENTORIES

Stocks are valued as under:

- a) Land and plots other than area transferred to constructed properties at the commencement of construction are valued at lower of cost/ approximate average cost/ as revalued on conversion to stock and net realisable value. Cost includes land (including development rights and land under agreements to purchase) acquisition cost, borrowing cost, estimated internal development costs and external development charges.



- b) Constructed properties projects includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost, development/ construction materials and is valued at lower of cost/ estimated cost and net realisable value.

## 9. TAXES ON INCOME

Tax expense comprises current income tax and deferred tax charge or credit. Current tax provision is made annually based on the tax liability computed in accordance with provision of the Income Tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

## 10. EMPLOYEE BENEFITS

Defined contribution plans

Contributions paid/payable to defined contribution plans comprising of provident fund are recognized as expenses during the period in which the employees perform the services that the payments cover.

The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

## 11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- i. Provisions involving substantial degree of estimation in measurement are recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.





- ii. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Disputed demands in respect of Central Excise, VAT, Income Tax and Sales Tax are disclosed as Contingent Liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter. Contingent Assets are neither recognized nor disclosed in the financial statements.

## 12. EARNING PER SHARE

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year.

## 13. REVENUE RECOGNITION

- i) Revenue from constructed properties:
  - a. Revenue from constructed properties, is recognised on the "percentage of completion method" as prescribed in Accounting Standard-7 "Construction Contracts" issued by the Institute of Chartered Accountants Of India. Total sale consideration as per the duly executed, agreements to sell / application forms (containing salient terms of agreement to sell), is recognised as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost.
  - b. Estimated project cost includes cost of land/ development rights, borrowing costs, overheads, estimated construction and development cost of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognised in the period in which such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, loss is recognised immediately.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

## 14. AMORTISATION OF MISCELLANEOUS EXPENDITURE

Preliminary Expenses classified under miscellaneous expenditure are written off equally over a period of five years.





## B. NOTES TO ACCOUNTS

1. Materials are purchased indigenously.
2. The company operates only in one segment, i.e. Civil Construction. Hence the company has no separate reportable segment as defined in Accounting Standard -17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
3. Depreciation is provided on straight line method at the rates specified in Schedule – XIV to the Companies Act'1956. During the year Rs. 59,202 (previous year Rs. 481) has been provided as depreciation, asset wise details are given below .

Sl. No.	Particulars	Amount ( in Rs.)
1.	Building	686
2.	Plant & Machinery	11,921
3.	Computer	29,853
4.	Furniture & Fixtures	6,805
5.	Vehicles	9,936
	Total	59,202

4. The deferred tax liability comprise of the following:

Sl. No.	Particulars	(in Rs.)	
		As at 31 <sup>st</sup> March,2011	As at 31 <sup>st</sup> March,2010
a)	Deferred Tax Liability Relating to fixed assets	127,253	-
b)	Deferred Tax Asset Disallowance u/s 36(l) (v) of the Income Tax Act,1961	-	-
c)	Provision for deferred tax (Net)	127,253	-



5. The company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid/payable as required under the said act have not been given.
6. Other particulars required pursuant to Para 4 of part II of Schedule – VI:

**a. Foreign Currency Transactions**

Sl No	Particulars	(in Lacs)	
		Year 2010-11	Year 2009-10
a)	Earnings in Foreign Currency	Nil	Nil
b)	Expenditure in Foreign Currency	Nil	Nil

**b. Managerial Remuneration as per Section 198 of the Companies Act, 1956**

Particulars	2010-11	(in Rupees.) 2009-10
Salaries	-	-

7. A search and seizure operation was conducted by the Income Tax Authorities in the premises of the company on 6<sup>th</sup> October ,2010. During the course of search, some documents of the Company were seized. Accounts have been prepared based on photocopies of such seized documents.
8. Additional information pursuant to paragraphs 3, 4C, 4D of part II of Schedule VI to the Companies Act, 1956 as certified by the management and accepted by the auditors.

Particulars	2010-11	2009-10
WIP	18,68,74,099	6,43,76,472

9. Paise has been converted to nearest rupee.
10. Previous year figures have been rearranged and regrouped wherever considered necessary.



## C. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. REGISTRATION DETAILS

Registration Number	:	7115
State Code	:	15
Balance Sheet Date	:	31.03.2011

### II. CAPITAL RAISED DURING THE YEAR (Amount in Lacs)

Public Issue	:	NIL	Bonus Issue	:	NIL
Right Issue	:	NIL	Private Placement	:	12.68

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.000)

Total Liabilities	:	10,50,275
Total Assets	:	10,50,275

#### SOURCES OF FUNDS :

Paid of Capital	:	64,697.50
Reserve & Surplus	:	210,000.42
Secured Loan	:	-
Unsecured Loan	:	775,450.00
Deferred Tax Liabilities	:	127.25

#### APPLICATION OF FUNDS :

Net Fixed assets	:	2,889.04
Investments	:	122,845.84
Net Current Assets	:	924,081.29
Misc. Expenditure	:	459.00
Profit & Loss Account	:	--

### IV. PERFORMANCE OF THE COMPANY (Amount in lacs)

Turnover	:	190,194.36	Profit Before Tax	:	19,528.74
Total Expenditure	:	170,665.62	Earning Per Share (in Rs.)	:	5.22
			Dividend Rate	:	--

### V. ITEM CODE NO :

Production Description : Civil Construction





The schedules referred to above form an integral part of the Balance Sheet

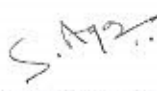
As per our separate report of even date

For P. A. & Associates  
Chartered Accountants  
Firm Regn. No.313085E

For and on behalf of the Board

  
(CA H. Dash)  
Partner  
Membership No. 063523

  
(Rajesh Agarwal)  
Managing Director

  
(Sunil Agarwal)  
Director

  
(H.P. Rout)  
Company secretary

Bhubaneswar  
The 11<sup>th</sup> day of May, 2011

