

## **Independent Auditor's Report**

To the Members of **Anant Raj Estate Management Services Limited**

### **I. Report on the Audit of the Financial Statements**

#### **1. Opinion**

- a) We have audited the accompanying financial statements of **Anant Raj Estate Management Services Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- b) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (Act), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **2. Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics (CoE) issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's CoE. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **3. Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **4. Information Other than the Financial Statements and Auditor's Report Thereon**

- a) The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the

financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- b) In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact, we have nothing to report in this regard.

## **5. Management's Responsibility for the Financial Statements**

- a) The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- b) In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **6. Auditor's Responsibility for the Audit of the Financial Statements**

- a) Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- b) As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operative effectiveness of such controls.
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- c) Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- d) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- e) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- f) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **II. Report on Other Legal and Regulatory Requirements**

- (i) As required by Section 143(3) of the Act, based on our audit report we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) 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.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
    - i) The Company has not paid any managerial remuneration during the year.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company did not have any pending litigations in its financial statements.
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(ii) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

A-14A, Single Storey,  
First Floor, Vijay Nagar,  
New Delhi

ASRV & Associates  
Chartered Accountants  
Firm Registration No. 032290N  
By the hand of

-----Sd-----

June 29, 2021  
Camp: Manesar, Haryana  
UDIN : 21540595AAAADK6152

Anshul Sharma  
Partner  
Membership No.540595

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph II (i) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Anant Raj Estate Management Services Limited** of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Anant Raj Estate Management Services Limited** ("the Company") as of March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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By the hand of

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June 29, 2021  
Camp: Manesar, Haryana  
UDIN : 21540595AAAADK6152

Anshul Sharma  
Partner  
Membership No.540595

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph ii (ii) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Anant Raj Estate Management Services Limited** of even date)

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(b) As explained to us, all the property, plant and equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there was no immovable property in the name of the Company.
- ii) The Company does not own any inventory.
- iii) The Company has not granted any loans, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) As per the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act in respect of activities carried out by the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as at March 31, 2021, for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, no undisputed dues in respect of income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, and value added tax which have not been deposited by the Company with appropriate authorities.
- viii) According to the information and explanations given by the management, the Company has not defaulted in the repayment of loans or borrowings to any banks and financial institutions

existing as at the balance sheet date. The Company did not have any loans or borrowings in respect of government or dues to debenture holders during the year.

- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not taken any term loans during the year.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has not paid any managerial remuneration during the year.
- xii) The Company is not a nidhi company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares during the year under review.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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ASRV & Associates  
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By the hand of

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June 29, 2021  
Camp: Manesar, Haryana  
UDIN : 21540595AAAADK6152

Anshul Sharma  
Partner  
Membership No.540595

**Anant Raj Estate Management Services Limited**  
Plot No. CP-1, Sector-8, IMT Manesar, Haryana-122051

**BALANCE SHEET AS AT MARCH 31, 2021**

	Notes	March 31, 2021 Rs.	March 31, 2020 Rs.
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3	3,86,000	2,72,853
Financial assets			
Trade receivables	4	122,80,547	-
Other non current assets	5	32,63,446	23,31,550
<b>Total non current assets</b>		<b>159,29,993</b>	<b>26,04,403</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	4	21,93,816	154,33,422
Cash and cash equivalents	6	1,141	3,03,321
Other current assets	7	7,07,381	4,12,432
Current tax assets	8	1,37,543	-
<b>Total current assets</b>		<b>30,39,881</b>	<b>161,49,176</b>
<b>TOTAL ASSETS</b>		<b>189,69,874</b>	<b>187,53,579</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	5,00,000	5,00,000
Other equity		(40,39,730)	5,49,762
<b>Total equity</b>		<b>(35,39,730)</b>	<b>10,49,762</b>
<b>Non current liabilities</b>			
Financial liabilities			
Borrowings	10	95,87,755	97,10,411
<b>Total non current liabilities</b>		<b>95,87,755</b>	<b>97,10,411</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	10	11,850	-
Trade payables	11	8,64,415	14,13,749
Others	12	77,90,278	64,85,548
Other current liabilities	13	42,55,306	93,053
Provisions	14	-	1,056
<b>Total current liabilities</b>		<b>129,21,849</b>	<b>79,93,406</b>
<b>Total liabilities</b>		<b>225,09,604</b>	<b>177,03,817</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>189,69,874</b>	<b>187,53,579</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	3-26		

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

As per our report of even date.

ASRV & Associates  
Chartered Accountants  
By the hand of

-----Sd-----

Anshul Sharma  
Partner  
Membership No. 540595  
June 29, 2021  
Manesar , Haryana

-----Sd-----

Kumar Digvijay Sharma, Director  
DIN: 06849479

-----Sd-----

Puneet Kumar Bajpai, Director  
DIN: 08239237

**Anant Raj Estate Management Services Limited**

Plot No. CP-1, Sector-8, IMT Manesar, Haryana-122051

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

	Notes	March 31, 2021 Rs.	March 31, 2020 Rs.
<b>INCOME</b>			
Revenue from operations	15	145,39,303	87,32,743
Other income	16	32,783	163
<b>Total income</b>		<b>145,72,086</b>	<b>87,32,906</b>
<b>EXPENSES</b>			
Cost of services consumed	17	161,97,306	72,23,123
Employees benefit expenses	18	9,10,620	9,74,900
Depreciation		18,853	2,774
Other expenses	19	20,34,798	6,69,928
<b>Total expenses</b>		<b>191,61,578</b>	<b>88,70,725</b>
<b>Loss before tax</b>		(45,89,492)	(1,37,818)
Less: Tax expense			
Current tax		-	-
<b>Loss for the year</b>		(45,89,492)	(1,37,818)
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(45,89,492)</b>	<b>(1,37,818)</b>
Earnings per share [equity share, par value of Rs. 10 (Rs. 10) each]	19		
- Basic and diluted		(91.79)	(2.76)
<b>CORPORATE INFORMATION</b>			
	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
	2		
<b>NOTES TO THE FINANCIAL STATEMENTS</b>			
	3-26		

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

As per our report of even date.

ASRV & Associates  
Chartered Accountants  
By the hand of

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Anshul Sharma  
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June 29, 2021  
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**Anant Raj Estate Management Services Limited**

Plot No. CP-1, Sector-8, IMT Manesar, Haryana-122051

**Statement of Changes in Equity for the year ended March 31, 2021**

	Notes	Equity share capital	Other equity Reserve and Surplus Retained earnings	Total equity attributable to equity share holders of the Company
		Rs.	Rs.	Rs.
Balance as at March 31, 2020		5,00,000	5,49,762	10,49,762
Loss for the year		-	(45,89,492)	(45,89,492)
Balance as at March 31, 2021		5,00,000	-40,39,730	-35,39,730

**CORPORATE INFORMATION****1****SIGNIFICANT ACCOUNTING POLICIES****2****NOTES TO THE FINANCIAL STATEMENTS****3-26**

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

As per our report of even date attached.

ASRV &amp; Associates

Chartered Accountants

By the hand of

-----Sd-----

Anshul Sharma

Partner

Membership No. 540595

June 29, 2021

Manesar , Haryana

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Kumar Digvijay Sharma, Director

DIN: 06849479

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Puneet Kumar Bajpai, Director

DIN: 08239237

**Anant Raj Estate Management Services Limited**  
Plot No. CP-1, Sector-8, IMT Manesar, Haryana-122051

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

	Notes	March 31, 2021 Rs.	March 31, 2020 Rs.
<b>A. CASH FLOW FROM OPERATIONS</b>			
<b>Loss before tax</b>		(45,89,492)	(1,37,820)
Depreciation		18,853	-
<b>Operating profit before working capital changes</b>		<u>(45,70,639)</u>	<u>(1,37,820)</u>
Adjustment for working capital changes:			
- Increase/(decrease) in other current liabilities		41,62,253	27,67,942
- Increase/(decrease) in other financial liabilities		13,04,730	26,69,641
- Increase/(decrease) in trade payables		(5,49,334)	12,05,072
- (Increase)/decrease in trade receivables		9,59,059	(41,43,565)
- (Increase)/decrease in other current assets		(2,94,948)	(5,47,883)
- (Increase)/decrease in current tax assets		(1,37,543)	-
- Increase/(decrease) in provisions		(1,056)	(3,11,064)
<b>Cash generated from operations</b>		<u><b>8,72,522</b></u>	<u><b>15,02,323</b></u>
Tax paid during the year		-	-
<b>Net cash from operating activities</b>		<u><b>8,72,522</b></u>	<u><b>15,02,323</b></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,32,000)	(2,72,853)
(Increase)/decrease in other non current assets		(9,31,896)	-
<b>Net cash from investing activities</b>		<u><b>(10,63,896)</b></u>	<u><b>(2,72,853)</b></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in long term borrowings		(1,22,656)	(15,80,000)
Increase/(decrease) in short term borrowings		11,850	-
<b>Net cash from financing activities</b>		<u><b>(1,10,806)</b></u>	<u><b>(15,80,000)</b></u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		(3,02,180)	(3,50,530)
Cash and cash equivalents - Opening balance		3,03,321	6,53,850
Cash and cash equivalents - Closing balance		1,141	3,03,321

**Note: Figures in brackets indicate cash outflow.**

<b>CORPORATE INFORMATION</b>	<b>1</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>3-26</b>

This is the Cash Flow Statement referred to in our report of even date attached.

ASRV & Associates  
Chartered Accountants  
By the hand of

-----Sd-----

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Membership No. 540595  
June 29, 2021  
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DIN: 06849479

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Puneet Kumar Bajpai, Director  
DIN: 08239237

**1 CORPORATE INFORMATION**

Anant Raj Estate Management Services Limited is a wholly owned subsidiary of Anant Raj Limited, domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of management of residential and commercial properties and other auxiliary services including maintenance of the same.

**2 SIGNIFICANT ACCOUNTING POLICIES****a) BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been in accordance with Indian Accounting Standards (Ind AS), have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to these financial statements.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting policies hitherto in use.

**b) USE OF ESTIMATES**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**c) PROPERTY PLANT AND EQUIPMENT**

Property, plant and equipment are stated at their cost of acquisition/construction, net of accumulated depreciation and impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

**d) REVENUE RECOGNITION**

Revenues from rentals are recognised on accrual basis in accordance with terms of agreements executed with respective tenants. Service receipts and interest from customers is accounted for on accrual basis.

**e) FINANCIAL INSTRUMENTS****Initial and subsequent measurement**

Loans obtained from holding company is measured at historical cost as it is payable on demand. Accordingly, in accordance with the provisions of Ind AS-113, 'Fair Valuation Measurement', issued by Ministry of Corporate Affairs, fair value of loans payable on demand will not be less than its historical cost.

**Current versus non current classification**

The Company presents its assets and liabilities in the financial statements based on current and non current classification.

**An asset is treated as current when it is:**

- (i) Expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) Held primarily for the purpose of being traded;
- (iii) Expected to be realised within twelve month after the reporting date; and
- (iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

The Company classifies all other assets as non current.

**A liability is current when it is:**

- (i) It is expected to be settled in the Company's normal operating cycle;
  - (ii) It is held primarily for the purpose of being traded;
  - (iii) It is due to be settled within twelve months after the reporting date; and
  - (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.
- The Company classifies all other liabilities as non current.

**f) CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of incomes or expense associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the company are segregated.

**g) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**h) PROVISIONS**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**i) CONTINGENT LIABILITIES/ASSETS**

Contingent liabilities and contingent assets are not recognised in the books of account. Provisions are made for the reliably estimated amount of present obligation to pay for the past events. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

**j) TAX EXPENSES**

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**k) EARNINGS PER SHARE**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**ANANT RAJ ESTATE MANAGEMENT SERVICES LIMITED**

Notes to financial statements

	March 31, 2021 Rs.	March 31, 2020 Rs.
<b>4 TRADE RECEIVABLES</b>		
<b>Non current</b>		
Unsecured, considered good	122,80,547	-
	<u>122,80,547</u>	<u>-</u>
<b>Current</b>		
Unsecured, considered good	21,93,816	154,33,422
	<u>21,93,816</u>	<u>154,33,422</u>
<b>5 OTHER NON CURRENT ASSETS</b>		
Security receivable	31,91,983	22,60,087
MAT credit entitlement	71,463	71,463
	<u>32,63,446</u>	<u>23,31,550</u>
<b>6 CASH AND CASH EQUIVALENTS</b>		
Bank balances in current accounts	-	2,95,496
Cash in hand	1,141	7,825
	<u>1,141</u>	<u>3,03,321</u>
<b>7 OTHER CURRENT ASSETS</b>		
Balances with Government Authorities	5,06,257	3,20,209
Advances recoverable	59,000	-
Prepaid expenses	1,42,124	88,643
Loan to staff	-	3,580
	<u>7,07,381</u>	<u>4,12,432</u>
<b>8 CURRENT TAX ASSETS</b>		
Income tax receivable	1,37,543	-
	<u>1,37,543</u>	<u>-</u>
<b>9 EQUITY SHARE CAPITAL</b>		
Authorised		
50,000 (50,000) equity shares of Rs 10 (Rs. 10) each	5,00,000	5,00,000
Issued, subscribed, and paid up		
50,000 (50,000) equity share of Rs 10 (Rs10) each fully paid up	5,00,000	5,00,000

Notes:

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

	March 31, 2021		March 31, 2020	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Shares outstanding at the end of the year	<u>50,000</u>	<u>5,00,000</u>	<u>50,000</u>	<u>5,00,000</u>

b) Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

c) Shares held by holding Company, Anant Raj Limited

	March 31, 2021 Rs.	March 31, 2020 Rs.
*50,000 (*50,000) equity shares of Rs. 10 (Rs.10) each fully paid up	5,00,000	5,00,000
<i>*Includes 6 (6) equity shares held by nominees of the holding company, Anant Raj Limited</i>		

d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2021		March 31, 2020	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each fully paid up:				
Anant Raj Limited	50,000	100%	50,000	100%

**ANANT RAJ ESTATE MANAGEMENT SERVICES LIMITED**

Notes to financial statements

	March 31, 2021	March 31, 2020
	Rs.	Rs.
<b>10 BORROWINGS</b>		
<b>Non-current</b>		
Loan from related party*	11,26,000	16,15,000
Security deposits	84,61,755	80,95,411
	<u>95,87,755</u>	<u>97,10,411</u>
Note:		
* Loan from related party represents unsecured interest free loan from holding Company, which is receivable whenever stipulated or as mutually agreed.		
<b>Current</b>		
Security deposit from suppliers	11,850	-
	<u>11,850</u>	<u>-</u>
<b>11 TRADE PAYABLES</b>		
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than above	8,64,415	14,13,749
	<u>8,64,415</u>	<u>14,13,749</u>
Note:		
The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence, disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.		
<b>12 OTHER FINANCIAL LIABILITIES</b>		
<b>Current</b>		
Expenses payable*#	76,74,435	63,62,469
Employees salary and other benefits	1,15,843	1,23,079
	<u>77,90,278</u>	<u>64,85,548</u>
* Includes Rs. 71,36,528 (Rs. 57,49,260) payable to holding Company		
# Includes Rs. 17,200 (Rs. 17,200) payable to fellow subsidiary		
<b>13 OTHER CURRENT LIABILITIES</b>		
Book overdraft	10,49,809	-
Statutory dues	4,77,971	58,553
Amount payable	27,27,526	-
Advance to employees	-	34,500
	<u>42,55,306</u>	<u>93,053</u>
<b>14 PROVISIONS</b>		
Income tax (net of tax deducted at source)	-	1,056
	<u>-</u>	<u>1,056</u>
<b>15 REVENUE FROM OPERATIONS</b>		
Maintenance services rendered	145,39,303	87,32,743
	<u>145,39,303</u>	<u>87,32,743</u>
<b>16 OTHER INCOME</b>		
Commission receipts	24,576	-
Others	8,207	163
	<u>32,783</u>	<u>163</u>
<b>17 COST OF SERVICES CONSUMED</b>		
Maintenance expenses	90,77,886	43,34,319
Electricity expenses	18,99,919	10,17,022
Security expenses	52,19,501	18,71,782
	<u>161,97,306</u>	<u>72,23,123</u>

**ANANT RAJ ESTATE MANAGEMENT SERVICES LIMITED**

Notes to financial statements

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>18 EMPLOYEES BENEFIT EXPENSES</b>		
Salary, wages, bonus and allowances	8,73,393	8,84,900
Staff welfare	26,011	90,000
Exgratia	7,754	-
Leave encashment	3,462	-
	<u>9,10,620</u>	<u>9,74,900</u>
<b>19 OTHER EXPENSES</b>		
Professional charges	11,12,750	73,000
Repair and maintenance		
Travelling and conveyance	38,488	800
Bank charges	3,305	2,215
Payment to auditors as audit fees	8,850	8,850
Amounts waived off to customers	8,46,835	-
Others	24,570	5,85,063
	<u>20,34,798</u>	<u>6,69,928</u>

## ANANT RAJ ESTATE MANAGEMENT SERVICES LIMITED

### Notes to financial statements

**20** The Company has undertaken the business of management of residential and commercial properties and other auxiliary services including maintenance of the same.

### **21 EARNINGS PER SHARE (EPS)**

The earnings considered in ascertaining the Company's EPS is the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The weighted diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period

		March 31, 2021	March 31, 2020
Loss for the year	Rs.	(45,89,492)	(1,37,818)
Nominal value of equity share	Rs.	10	10
Weighted average number of equity shares outstanding	No.	50,000	50,000
Basic and diluted earnings per share	Rs.	(91.79)	(2.76)

### **22 RELATED PARTY DISCLOSURES**

Pursuant to Accounting Standard (Ind AS-24) on "Related Party Disclosures" issued by the Ministry of Corporate Affairs of India following parties are to be treated as related parties along with their relationships:

- a)** List of related parties where control exists and other related parties with whom transactions have taken place and relationships:

#### **Holding Company**

Anant Raj Limited

#### **Fellow Subsidiaries**

Adonai Home Private Limited	North South Properties Private Limited
Advance Buildcon Private Limited	Pasupati Aluminium Limited
Anant Raj Cons. & Development Private Limited	Pelikan Estates Private Limited
Anant Raj Cloud Private Limited#	Pioneer Promoters Private Limited
Anant Raj Housing Limited	Rolling Construction Private Limited
AR Login 4 Edu Private Limited	Romano Estates Private Limited
Blossom Buildtech Private Limited*	Romano Estate Management Services Limited
Century Promoters Private Limited	Romano Infrastructure Private Limited
Echo Properties Private Limited	Romano Projects Private Limited
Empire Promoters Private Limited	Rose Realty Private Limited
Excellent Inframart Private Limited	Saiguru Buildmart Private Limited
Four Construction Private Limited	Sartaj Developers & Promoters Private Limited
Glaze Properties Private Limited	Sovereign Buildwell Private Limited
Green Valley Builders Private Limited	Spring View Developers Private Limited
Green Way Promoters Private Limited	Springview Properties Private Limited
Gujarat Anant Raj Vidhyanagar Limited	Three Star Realty Private Limited*
Grandstar Realty Private Limited	Tumhare Liye Realty Private Limited
Hamara Realty Private Limited	Vibrant Buildmart Private Limited*
Jai Govinda Ghar Nirman Limited	Woodland Promoters Private Limited
Jasmine Buildwell Private Limited	

#Became fellow subsidiary during the year.

\*Ceased to be fellow subsidiary during the year

#### **Related Parties**

Kumar Digvijay Sharma	Director
Gaurav Sharma	Director
Puneet Kumar Bajpai	Director

Note: Related parties relationship is as identified by the Company and relied upon by the Auditors.

**ANANT RAJ ESTATE MANAGEMENT SERVICES LIMITED**

## Notes to financial statements

## b) Transaction during the year with related parties (excluding reimbursements):

Sl. No.	Nature of transactions	Related party	March 31, 2021 Rs.	March 31, 2020 Rs.
1	Borrowings received	Anant Raj Limited	70,11,000	5,20,000
2	Borrowings repaid	Anant Raj Limited	75,00,000	-
3	Services rendered	Anant Raj Limited	-	4,75,660

## c) Amount outstanding as at March 31, 2021:

Sl. No.	Account head	Related party	March 31, 2021 Rs.	March 31, 2020 Rs.
1	Borrowings - Non current	Anant Raj Limited	95,87,755	16,15,000
2	Other current assets	Anant Raj Limited	31,91,983	22,60,087
3	Expenses payable - Current	Anant Raj Limited	71,36,528	57,49,260
4	Expenses payable - Current	Anant Raj Cons. & Dev.	17,200	17,200

**23** In the opinion of the management, the current assets, if realized, in the ordinary course of business, would realize a sum at least equal to that stated in the Balance Sheet.

**24** In the opinion and the best estimates of the Board of Directors of the Company barring unforeseen circumstances, the Company will be continuing as going concern in spite of accumulated losses exceeding share capital and reserves of the Company as at the year end.

**25** Figures in brackets pertain to previous year, unless otherwise indicated.

**26** Previous year figures have been regrouped/rearranged or recast, wherever considered necessary to make them comparable with the current year figures.

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

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June 29, 2021  
Manesar , Haryana

Kumar Digvijay Sharma, Director  
DIN: 06849479

Puneet Kumar Bajpai, Director  
DIN: 08239237

**3 Property, plant and equipment**

	<b>Plant and machinery</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Gross carrying value</b>		
As at March 31, 2020	2,75,627	2,75,627
-Additions	1,32,000	1,32,000
-Disposals	-	-
<b>As at March 31, 2021</b>	<b>4,07,627</b>	<b>4,07,627</b>
<b>Depreciation</b>		
As at March 31, 2020	2,774	2,774
Depreciation charge during the year	18,853	18,853
<b>As at March 31, 2021</b>	<b>21,627</b>	<b>21,627</b>
<b>Net Book Value</b>		
- As at March 31, 2020	2,72,853	<b>2,72,853</b>
- As at March 31, 2021	<b>3,86,000</b>	<b>3,86,000</b>