

**ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED**

**ANNUAL REPORT  
2013-14**



**CIN**

U45202MH2009PTC194430

**BOARD OF DIRECTORS**

Mr. Vijay Arora  
Mr. Prenil Nair  
Mr. Satish Agarwal

**AUDITORS**

Shaparia & Mehta,  
Chartered Accountants, Mumbai.

**BANKERS**

Bank of Baroda  
New India Co-op Bank Ltd

**REGISTERED OFFICE**

808, Krushal Commercial Complex,  
Above Shoppers Stop, G. M. Road,  
Chembur (W), Mumbai – 400 089

**ROYAL NETRA CONSTRUCTIONS PVT. LTD.**

(M/s. Royal Builders, M/s. Bhargavi Constructions, M/s. Velani Constructions, M/s. Tainwala Builders)

808, 8th Floor, Krushal Commercial Complex, G. M. Road, Chembur (West), Mumbai - 400 089.

Tel.: 91-22-2526 0582 to 88 • Fax : 2526 0589

CIN: U45202MH2009PTC194430



**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE FIFTH ANNUAL GENERAL MEETING OF ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED WILL BE HELD ON TUESDAY, 29<sup>TH</sup> JULY, 2014 AT 808, KRUSHAL COMMERCIAL COMPLEX, G.M. ROAD, CHEMBUR (WEST), MUMBAI 400 089 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

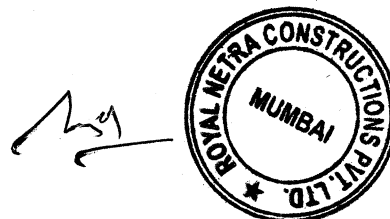
1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014, Statement of Profit and Loss for the year ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Preniel Nair who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Shaparia & Mehta., Chartered Accountants, (Firm Registration No. 112350W) the retiring Auditors as Statutory Auditors of the Company to hold office for a period up to five years commencing from the conclusion of this Annual General meeting up to the conclusion of Annual General Meeting for the financial year 2018-19 subject to ratification of such re-appointment at each subsequent Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit to pass with or without modification the following Resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act 2013 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to authorize the Board of Directors to grant loans or make investments or give guarantees or provide securities of such amount to bodies corporate from time to time on such terms and conditions as may be decided from time to time.

**RESOLVED FURTHER THAT** the aggregate of such loans, investments, guarantees and securities made in one or more tranches in excess of the limit prescribed under Section 186 of the Companies Act, 2013 as stated herein shall not exceed the amount of Rs. 500,00,00,000/- (Rupees Five Hundred Crore only).



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Tel.: 91-22-2526 0582 to 88 • Fax : 2526 0589

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all necessary steps and do all necessary things in this regard in order to comply with all the formalities and further to authorize any of its Committee(s)/ Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matters related thereto."

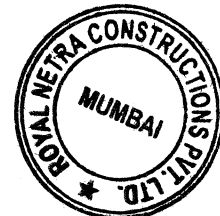
5. To consider and if thought fit to pass with or without modification the following Resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which shall include any Committee(s) thereof), to create mortgage(s), charge(s), hypothecation and/or floating charge(s) on all or any of the immovable and/or movable assets/ properties of the Company, present and future, of every nature and kind whatsoever, and the undertaking of the Company in certain events, to secure loans and/or borrowings of the Company including fund based and non-fund based facilities for working capital requirements and bank guarantees, etc. the aggregate of which shall not, at any time, exceed the limit of **Rs. 500,00,00,000/- (Rupees Five Hundred Crore only)** from Financial Institutions/Banks and other agencies/parties with interest, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges already created or to be created in future by the Company in such manner and in such form as may be deemed prudent, desirable and necessary by the Board of Directors.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all necessary steps and do all necessary things in this regard in order to comply with all the formalities and further to authorize any of its Committee(s)/ Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matters related thereto."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **SPECIAL RESOLUTION**:

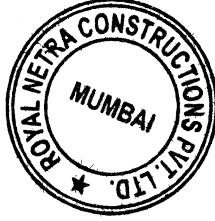
**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which shall include any Committee(s) thereof), to borrow from time to time all such sum(s) of money (including by way of External Commercial Borrowings in foreign denominated currencies from any foreign sources/foreign countries as prescribed by the guidelines in this regard) as the Board may deem requisite for the purpose of the Company, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company and outstanding (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company i.e. reserves not set apart for any specific purpose, and provided that the total amount borrowed/to be borrowed



by the Board of Directors shall not, at any time, exceed the limit of Rs. 500,00,00,000/- (Rupees Five Hundred Crore only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all necessary steps and do all necessary things in this regard in order to comply with all the formalities and further to authorize any of its Committee(s)/ Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matters related thereto."

Place: Mumbai  
Date: 15<sup>th</sup> May, 2014



For and on behalf of the Board

A handwritten signature in black ink, appearing to read "Satish Agarwal".

Satish Agarwal

Director

DIN: 02099862

Address: 808, Krushal Commercial  
Complex, G.M.Road, Chembur (W),  
Mumbai-400089

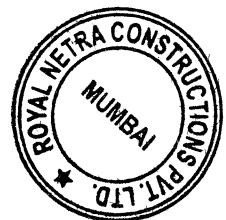
**NOTES:**

1. A MEMBER entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote IN THE MEETING instead of himself/herself and such a proxy need not be a member of the company.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the above resolution is appended hereto.

*16/11*



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013:**

**Item No. 4:**

Pursuant to Section 186 of the Act, the Company can make loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate to the extent of 60% of its paid-up share capital and free reserves or 100 % of its free reserves whichever is higher with the approval of the Board of Directors. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of a special resolution.

The Company proposes to make substantial investments in the business areas of the Company. As a measure of achieving greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects, it is proposed that the Board of Directors be authorized to make investment(s), grant loan(s), give guarantee(s) and/or provide security (ies) up to overall limit of Rs. 500 Crore from time to time.

The sources of funds will be met from surplus funds generated by the Company through operations or from such other sources as the Board may deem appropriate.

Your Directors recommend this Special Resolution for the approval of the members. None of the Directors of the Company shall be deemed to be concerned or interested in the said resolution except those; who may be Directors or shareholders in one or more bodies corporate as mentioned herein above.

**Item Nos. 5 & 6:**

With a view to augment the financial resources for the Company's long term capital requirements and/or working capital requirements, the Company may resort to various means of raising loans/borrowings including availing of fund based and non-fund based facilities for working capital requirements and bank guarantees for future projects, etc. from Financial Institutions/Banks and other agencies/parties, the aggregate of which shall not exceed Rs. 500,00,00,000/- (Rupees Five Hundred Crore only).

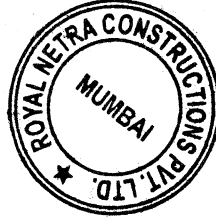
For securing such loans and/or borrowings including the availing of various credit facilities, the Company may be required to create mortgages or charges on/ hypothecation of all or any of the immovable and/ or moveable assets/properties of the Company, both present and future. Section 180(1)(c) of the Companies Act, 2013 provides inter-alia that the Board of Directors of a Public Company shall not borrow in excess of the aggregate of paid up capital and free reserves of the Company except with the consent of the Company in General Meeting. Likewise, Section 180(1)(a) of the said Act provides for the Board of Directors' power to create mortgage(s), charge(s), hypothecation and/or floating charge(s) on all or any of the immovable and/or movable assets/properties of the Company, present and future of every nature and kind whatsoever, subject the prior approval by the shareholders of the Company.



Your Directors recommend these Ordinary Resolutions for the approval of the members.  
None of the Directors is in any way concerned or interested in the aforesaid Resolutions.

**For and on behalf of the Board**

**Place:** Mumbai  
**Date:** 15<sup>th</sup> May, 2014



A handwritten signature in black ink, appearing to read "Satish Agarwal".

**Satish Agarwal**  
**Director**  
**DIN:** 02099862  
**Address:** 808, Krushal Commercial  
Complex, G.M.Road, Chembur (W),  
Mumbai-400089



## DIRECTORS' REPORT

The Members,  
**ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED**  
Mumbai

Your Directors hereby present the Fifth Annual Report on the operations of the Company together with the audited accounts for the period ended 31<sup>st</sup> March, 2014.

### 1. FINANCIAL RESULTS:

The Financial performance of the Company for the year ended 31.03.2014 is as under:

|   | <u>2013-14</u><br><u>(Rs.)</u> | <u>2012-13</u><br><u>(Rs.)</u> |
|---|--------------------------------|--------------------------------|
| Other Income  | 804,594                        | 1,469,229                      |
| Expenses  | 950,971                        | 917,789                        |
| Profit/(loss) before exceptional items and tax          | <b>(146,377)</b>               | <b>551,440</b>                 |
| <b>Exceptional items</b>                                |                                |                                |
| Amalgamation Expenses                                   | -                              | 146,328                        |
| <b>Profit/(loss) before extraordinary items and tax</b> | <b>(146,377)</b>               | <b>405,112</b>                 |
| Tax expenses for current year                           |                                | (72,425)                       |
| MAT credit (where applicable)                           |                                | 70,316                         |
| Current Tax Expense relating to prior years             | (3,732)                        | -                              |
| <b>Net Current tax expenses</b>                         | <b>(3,732)</b>                 | <b>(2,109)</b>                 |
| <b>Profit/(loss) after Tax</b>                          | <b>(150,109)</b>               | <b>403,003</b>                 |

### 2. DIVIDEND:

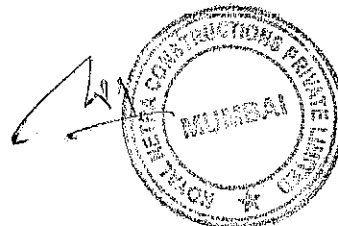
In view of loss made by the Company, your Directors do not recommend any Dividend for the period ended on 31<sup>st</sup> March 2014.

### 3. FIXED DEPOSITS:

The Company has not accepted or renewed any deposit from public during the period under review.

### 4. PARTICULARS OF EMPLOYEES:

The particulars of employees as required in accordance with Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, are not required to be furnished as there is no employee drawing salary more than Rs. 60,00,000/- p.a. where employed throughout the year or Rs. 5,00,000/- p.m. where employed for part of the year.



**5. DIRECTORS:**

The Board of Directors of the Company is duly constituted. During the year under review, Mr. Navin G. Ajwani resigned as Director w.e.f. 1<sup>st</sup> June, 2013 and Mr. Rajendra Mirani resigned as Director w.e.f. 22<sup>nd</sup> July, 2013.

At the forthcoming Annual General Meeting of the Company, Mr. Preniel Nair shall retire by rotation and being eligible, he has offered himself for re-appointment.

**6. DIRECTORS' RESPONSIBILITY STATEMENT:**

As required by the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- (i) That in the preparation of the annual accounts, the applicable standards had been followed alongwith proper explanations relating to material departures.
- (ii) That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- (iii) That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the Annual Accounts on a going concern basis.

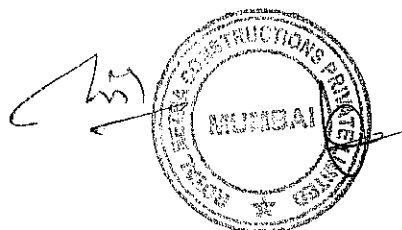
**7. AUDITORS:**

The Statutory Auditors of the Company, M/s Shaparia & Mehta, Chartered Accountants, Mumbai having Firm Registration Number 112350W shall hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. M/s Shaparia & Mehta, Chartered Accountants have expressed their willingness to act as the Statutory Auditors of the Company, and furnished to the Company a certificate that their appointment, if made, would be in conformity with the provisions of Section 139 of Companies Act, 2013.

The Board proposes the re-appointment of M/s Shaparia & Mehta, Chartered Accountants as Statutory Auditor of the Company for 5 Years commencing from conclusion of Annual General Meeting for Financial Year 2013-14 up to conclusion of Annual General Meeting for financial year 2018-19; subject to ratification of such re-appointment by shareholders at each subsequent Annual General Meeting.

**8. AUDITORS' REPORT:**

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes to Accounts for the year ended 31st March, 2014, are self-explanatory and therefore do not call for any further comments under Section 139 of the Companies Act, 2013.



**9. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**[DISCLOSURE OF INFORMATION PURSUANT TO SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988]**

The Company has not carried out any activity which requires disclosure of information as regards conservation of energy or technology absorption adaptation and innovation and hence the same is not furnished. There was no foreign exchange earnings & outgo during the period under review.

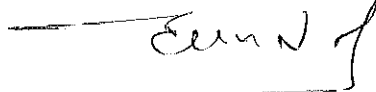
**10. SECRETARIAL COMPLIANCE CERTIFICATE:**

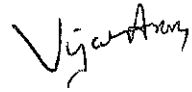
M/s J. H. Ranade & Associates, Company Secretaries were appointed to conduct Secretarial Compliances Audit under Section 383A of Companies Act, 1956 for issuing Compliance Certificate for the period ended March 31, 2014. A certificate issued by the said Firm forms part of this Report.

**11. ACKNOWLEDGEMENT:**

The Directors wish to express their gratitude to the Bankers and all the business associates for their continuous support to the Company and to the Shareholders for the confidence reposed in the Company's management.

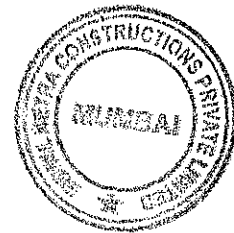
**For and on behalf of the Board of Directors**

  
Director

  
Director

**Place: Mumbai**

**Date: 15<sup>th</sup> May, 2014**



# J.H. RANADE & ASSOCIATES

## Company Secretaries

24A/25A, Dhanalaxmi Chambers, Off Gokhale Road, Near Railway Station, Thane (W) – 400 602  
Tele/Fax : 2544 24 34 Email ID : [jhranade24@gmail.com](mailto:jhranade24@gmail.com), [jhr\\_asso@rediffmail.com](mailto:jhr_asso@rediffmail.com)

### COMPLIANCE CERTIFICATE

(In terms of Section 383A (1) of the Companies Act, 1956)

CIN - U45202MH2009PTC194430

Nominal Capital: Rs. 3.5 Crores

The Members,

**Royal Netra Constructions Private Limited**

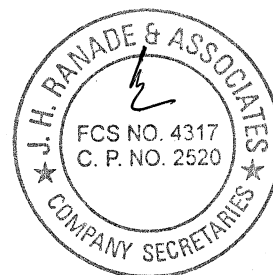
808, Krushal Commercial Complex,

Above Shoppers Stop, G. M. Road,

Chembur-(W), Mumbai- 400089

We have examined the registers, records, books and papers of Royal Netra Constructions Private Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on **31<sup>st</sup> March, 2014**, (Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid Financial Year:

1. The Company has kept and maintained all Registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Maharashtra, Mumbai within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Subsidiary of a Public Limited Company has the minimum prescribed paid-up capital and its maximum number of members during the said Financial Year was **12 (Twelve)** excluding present and past employees of the company and during the year under scrutiny Company:
  - (i) has not invited public to subscribe for its shares or debentures; and
  - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.



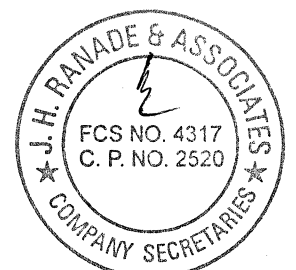
# J.H. RANADE & ASSOCIATES

## Company Secretaries

24A/25A, Dhanalaxmi Chambers, Off Gokhale Road, Near Railway Station, Thane (W) – 400 602  
Tele/Fax : 2544 24 34 Email ID : [jhranade24@gmail.com](mailto:jhranade24@gmail.com), [jhr\\_asso@rediffmail.com](mailto:jhr_asso@rediffmail.com)

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4. The Board of Directors duly met 7 (Seven) times respectively on 18/04/2013, 08/05/2013, 01/06/2013, 22/07/2013, 05/08/2013, 12/11/2013 and 24/01/2014 in respect of which proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the Financial Year.
6. The Annual General Meeting for the Financial Year ended on 31<sup>st</sup> March, 2013 was held on 16<sup>th</sup> September 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meetings was held during the Financial Year.
8. The Company has not advanced any loan to its Directors and/or to persons or firms or Companies referred in the Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make any entries in the Register to be maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Action 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate certificates during the Financial Year.
13.
  - (i) There was no allotment / transfer / transmission of securities during the Financial Year.
  - (ii) The Company has not deposited any amount in a separate bank account as no dividend was declared during the Financial Year.
  - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the Financial Year.



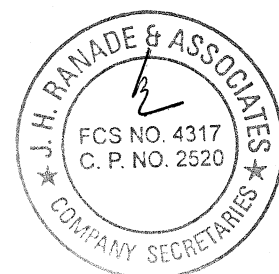
# J.H. RANADE & ASSOCIATES

## Company Secretaries

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- (iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven Years to Investor Education and Protection Fund.
- (v) The Company has duly complied with the requirements of Sec. 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of Directors during the Financial Year.
15. The Company has not appointed any Managing Director/ Whole –Time Director/Manager during the Financial Year.
16. The Company has not appointed any Sole-Selling Agents during the Financial Year.
17. The Company was not required to obtain any approval of the central government, Company Law Board, Regional Director, Registrar and /or such authorities prescribed under the various provision of the Act during the Financial Year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the Financial Year.
20. The Company has not bought-back any shares during the Financial Year.
21. There was no redemption of Preference Shares or Debentures during the Financial Year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the Financial Year.
24. The company has not made any borrowings during the financial year ended 31<sup>st</sup> March 2013.



# J.H. RANADE & ASSOCIATES

## Company Secretaries


24A/25A, Dhanalaxmi Chambers, Off Gokhale Road, Near Railway Station, Thane (W) – 400 602  
Tele/Fax : 2544 24 34 Email ID : [jhranade24@gmail.com](mailto:jhranade24@gmail.com), [jhr\\_asso@rediffmail.com](mailto:jhr_asso@rediffmail.com)

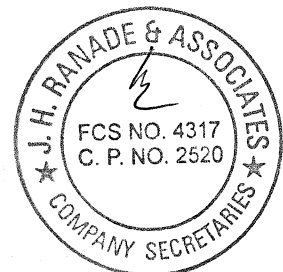
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25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the Financial Year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the Financial Year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the Financial Year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the Financial Year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year.
30. The company has not altered its Articles of association during the financial year.
31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other penalties or any other punishment was imposed on the Company during the Financial Year, for offences under the Act.
32. The Company has not received any money as security from its employees during the Financial Year.
33. Provisions of Provident Fund Act are not applicable to the company.

**For J. H. Ranade & Associates**  
Company Secretaries

Place: Thane  
Date: 15<sup>th</sup> May, 2014

  
**J. H. Ranade**  
Proprietor  
(C. P. No: 2520)



# J.H. RANADE & ASSOCIATES

Company Secretaries

24A/25A, Dhanalaxmi Chambers, Off Gokhale Road, Near Railway Station, Thane (W) – 400 602  
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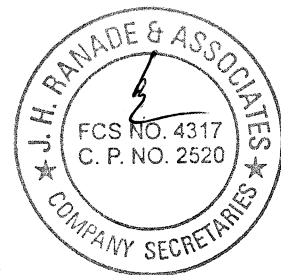
## **SECRETARIAL COMPLIANCE CERTIFICATE** **In terms of Section 383A (1) of the Companies Act, 1956**

### **ANNEXURE A**

#### **Registers as maintained by the Company:**

1. Registered of Charges / Copies of instruments creating charges u/s. 143 and 136
2. Register of Members and Index of Members u/s. 150 and 151
3. Register of Transfers u/s. 154
4. Register and Returns u/s. 163
5. Books of Accounts u/s. 209
6. Register of particulars of Contracts in which Directors are interested u/s. 301
7. Register of Directors, Managing Director, Manager, Secretary u/s. 303
8. Register of Directors shareholdings u/s. 307
9. Minutes books of Board and General Meetings
10. Register of Investments / Loans

Contd....





# J.H. RANADE & ASSOCIATES

## Company Secretaries

24A/25A, Dhanalaxmi Chambers, Off Gokhale Road, Near Railway Station, Thane (W) – 400 602  
Tele/Fax : 2544 24 34 Email ID : [jhranade24@gmail.com](mailto:jhranade24@gmail.com), [jhr\\_asso@rediffmail.com](mailto:jhr_asso@rediffmail.com)


### ANNEXURE B

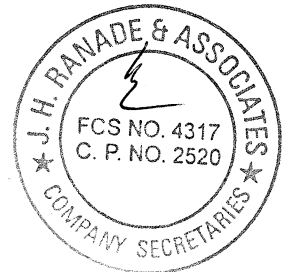
Forms and Returns as filed by the Company with the Registrar of Companies, Mumbai  
During the Financial Year ending on 31<sup>st</sup> March, 2014

| Sr No | Form / Return              | Filed u/s | For  | Date of Filing | Whether filed Within Prescribed Time | If delay, whether Requisite additional Fee paid |
|-------|----------------------------|-----------|--|----------------|--------------------------------------|---|
| 1     | Form32                     | 283       | Resignation of Mr. Navin Ajwani as Director  | 05/06/2013     | Yes                                  | No  |
| 2     | Form 32                    | 283       | Resignation of Mr. Rajendra Mirani as Director                                     | 29/07/2013     | Yes                                  | No  |
| 3.    | Form 20B                   | 159       | Annual Return for the AGM held on 16 <sup>th</sup> September 2013                  | 23/09/2013     | Yes                                  | No  |
| 4.    | Form 23AC<br>23ACA<br>XBRL | 220       | Balance Sheet Profit & Loss A/c for the Year ended on 31 <sup>st</sup> March 2013. | 28/09/2013     | Yes                                  | No  |
| 5.    | Form 66                    | 383A      | Secretarial Compliance Report for the year ended on 31 <sup>st</sup> march 2013    | 28/09/2013     | Yes                                  | No  |

For J. H. Ranade & Associates  
Company Secretaries

Place: Thane  
Date: 15<sup>th</sup> May, 2014

  
J. H. Ranade  
Proprietor  
(C. P. No: 2520)



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF ROYAL NETRA COMPANY PRIVATE LIMITED**

**Report on the Financial Statements**

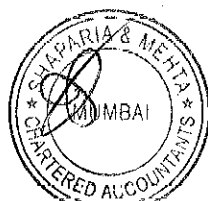
1. We have audited the accompanying Financial Statements of **Royal Netra Company Private Limited**, which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from any material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted the audit in accordance with the standard on auditing issued by The Institute of Chartered Accountants of India. Those Standards required 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor consider 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 the 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.

**Report on other legal and Regulatory Requirements**

5. As required by The Companies (Auditors' Report) Order, 2003 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 and 5 of the said Order.
6. As required by section 227(3) of The Companies Act, 1956, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - (v) On the basis of written representations received from the directors, as on **31st March 2014** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of The Companies Act, 1956.
  - (vi) Since the central government has not issued any notification as to the rate at which the cess is to be paid under section 441A of The Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.



**Opinion**

7. 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 the case of the Balance Sheet, of the state of affairs of the Company as at **31st March, 2014;**

b) in the case of the Statement of Profit and Loss Account, of the loss 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.

FOR SHAPARIA & MEHTA  
CHARTERED ACCOUNTANTS  
FIRM REG. NO.: 112350W

*J. V. Shah*  
JAYAVANTI SHAH  
PARTNER

MEMBERSHIP NO.: 043710

PLACE: MUMBAI

DATED: 15 MAY 2014



The Annexure referred to in paragraph 1 under the heading of 'Report on other legal and Regulatory Requirements' of Our Report of even date to the members of Royal Netra Constructions Private Limited.

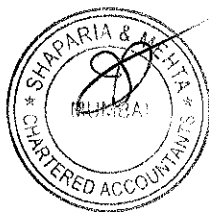
On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. [Paragraph 4(i)(a)]
- (b) Part of the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. [Paragraph 4(i)(b)]
- (c) During the year the Company has not disposed off substantial part of fixed assets [Paragraph 4(i)(c)]
- ii. The Company holds an inventory related to cost of project construction which is carried in the books under Work-In-Progress. As the Company does not hold inventories as defined in Accounting Standard 2, Valuation of Inventories, item (ii) of paragraph of the order is not applicable to the Company.
- iii. (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 not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
- (b) The Company had taken unsecured loans from one party covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year end balance of such loans aggregates to ₹32,10,00,000/- and ₹ 32,10,00,000/- respectively. [Paragraph 4(iii)(e)]

| Particulars                   | No of Parties | Amount (₹)   |
|-------------------------------|---------------|--------------|
| Opening balance               | 1             | 31,00,00,000 |
| Loan taken during the year    | 1             | 50,00,000    |
| Loan redeemed during the year | -             | -            |
| Closing balance               | 1             | 31,50,00,000 |



- (c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. [Paragraph 4(iii) (f)]
- (d) In respect of the loans taken from parties, the same are repayable on demand and hence the question of taking reasonable steps for payment of principal and interest does not arise. [Paragraph 4(iii) (g)]
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regard to the provision of services. During the course of our audit, we have not observed any major weaknesses in internal controls. [Paragraph 4(iv)]
- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Act. Accordingly, clause 4(v) (b) of the Order is not applicable to the Company
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under. [Paragraph 4(vi)]
- vii. The Company has no formal internal audit system as such but its control procedures ensure reasonable internal checking of its financial and other records. [Paragraph 4(vii)]
- viii. According to the information and explanation given to us, maintenance of cost records has been prescribed by the Central Government under section 209(1) (d) of the Act but the criteria for the same is not met by the Company and therefore the provision for this clause is not applicable to the Company. [Paragraph 4(viii)]
- ix. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including, income tax, service tax and other material statutory dues applicable to it. [Paragraph 4(ix) (a)]
- (b) There are no dues of income tax and service tax or any other tax, cess etc. that have not been deposited on account of any dispute [Paragraph 4(ix)(b)]
- x. The Company has been registered for less than five years so the provisions of clauses 4(x) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company. [Paragraph 4(x)]
- xi. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date. [Paragraph 4(xi)]



- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. [Paragraph 4(xii)]
- xiii. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund, societies are not applicable to the Company. [Paragraph 4(xiii)]
- xiii. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. [Paragraph 4(xiv)]
- xv. On the basis of information and explanation given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions during the year. [Paragraph 4 (xv)]
- xvi. The Company has not obtained/availed any term Loans during the year. [Paragraph 4(xvi)]
- 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 the no funds raised on short-term basis have been used for long-term investment. [Paragraph 4(xvii)]
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. [Paragraph 4(xviii)]
- xix. In our opinion and according to information and explanation given to us, the Company has not issued any secured debentures during the period covered by our report. [Paragraph 4(xix)]
- xx. During the period covered by our audit report, the Company has not raised any money by public issues. [Paragraph 4(xx)]
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit. [Paragraph 4(xxi)]

FOR SHAPARIA & MEHTA  
CHARTERED ACCOUNTANTS

FIRM REG. NO.: 112350W

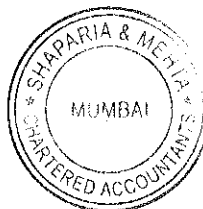
*J. V. Shah*  
JAYAVANTI SHAH

PARTNER

MEMBERSHIP NO.: 043710

PLACE: MUMBAI

DATED: 15 MAY 2014





**CIN**

U45202MH2009PTC194430

**BOARD OF DIRECTORS**

Mr. Vijay Arora  
Mr. Prenil Nair  
Mr. Satish Agarwal

**AUDITORS**

Shaparia & Mehta,  
Chartered Accountants, Mumbai.

**BANKERS**

Bank of Baroda  
New India Co-op Bank Ltd

**REGISTERED OFFICE**

808, Krushal Commercial Complex,  
Above Shoppers Stop, G. M. Road,  
Chembur (W), Mumbai – 400 089



## DIRECTORS' REPORT

The Members,  
**ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED**  
Mumbai

Your Directors hereby present the Fifth Annual Report on the operations of the Company together with the audited accounts for the period ended 31<sup>st</sup> March, 2014.

### 1. FINANCIAL RESULTS:

The Financial performance of the Company for the year ended 31.03.2014 is as under:

|   | <u>2013-14</u><br><u>(Rs.)</u> | <u>2012-13</u><br><u>(Rs.)</u> |
|---|--------------------------------|--------------------------------|
| Other Income  | 804,594                        | 1,469,229                      |
| Expenses  | 950,971                        | 917,789                        |
| Profit/(loss) before exceptional items and tax          | <b>(146,377)</b>               | <b>551,440</b>                 |
| <b>Exceptional items</b>                                |                                |                                |
| Amalgamation Expenses                                   | -                              | 146,328                        |
| <b>Profit/(loss) before extraordinary items and tax</b> | <b>(146,377)</b>               | <b>405,112</b>                 |
| Tax expenses for current year                           |                                | (72,425)                       |
| MAT credit (where applicable)                           |                                | 70,316                         |
| Current Tax Expense relating to prior years             | (3,732)                        | -                              |
| <b>Net Current tax expenses</b>                         | <b>(3,732)</b>                 | <b>(2,109)</b>                 |
| <b>Profit/(loss) after Tax</b>                          | <b>(150,109)</b>               | <b>403,003</b>                 |

### 2. DIVIDEND:

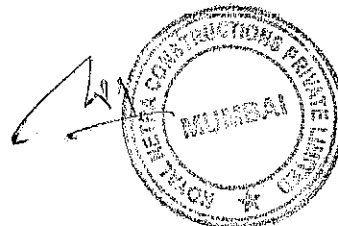
In view of loss made by the Company, your Directors do not recommend any Dividend for the period ended on 31<sup>st</sup> March 2014.

### 3. FIXED DEPOSITS:

The Company has not accepted or renewed any deposit from public during the period under review.

### 4. PARTICULARS OF EMPLOYEES:

The particulars of employees as required in accordance with Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, are not required to be furnished as there is no employee drawing salary more than Rs. 60,00,000/- p.a. where employed throughout the year or Rs. 5,00,000/- p.m. where employed for part of the year.



**5. DIRECTORS:**

The Board of Directors of the Company is duly constituted. During the year under review, Mr. Navin G. Ajwani resigned as Director w.e.f. 1<sup>st</sup> June, 2013 and Mr. Rajendra Mirani resigned as Director w.e.f. 22<sup>nd</sup> July, 2013.

At the forthcoming Annual General Meeting of the Company, Mr. Preniel Nair shall retire by rotation and being eligible, he has offered himself for re-appointment.

**6. DIRECTORS' RESPONSIBILITY STATEMENT:**

As required by the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- (i) That in the preparation of the annual accounts, the applicable standards had been followed alongwith proper explanations relating to material departures.
- (ii) That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- (iii) That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the Annual Accounts on a going concern basis.

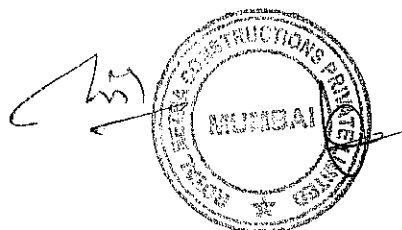
**7. AUDITORS:**

The Statutory Auditors of the Company, M/s Shaparia & Mehta, Chartered Accountants, Mumbai having Firm Registration Number 112350W shall hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. M/s Shaparia & Mehta, Chartered Accountants have expressed their willingness to act as the Statutory Auditors of the Company, and furnished to the Company a certificate that their appointment, if made, would be in conformity with the provisions of Section 139 of Companies Act, 2013.

The Board proposes the re-appointment of M/s Shaparia & Mehta, Chartered Accountants as Statutory Auditor of the Company for 5 Years commencing from conclusion of Annual General Meeting for Financial Year 2013-14 up to conclusion of Annual General Meeting for financial year 2018-19; subject to ratification of such re-appointment by shareholders at each subsequent Annual General Meeting.

**8. AUDITORS' REPORT:**

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes to Accounts for the year ended 31st March, 2014, are self-explanatory and therefore do not call for any further comments under Section 139 of the Companies Act, 2013.



**9. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**[DISCLOSURE OF INFORMATION PURSUANT TO SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988]**

The Company has not carried out any activity which requires disclosure of information as regards conservation of energy or technology absorption adaptation and innovation and hence the same is not furnished. There was no foreign exchange earnings & outgo during the period under review.

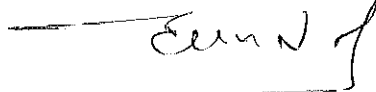
**10. SECRETARIAL COMPLIANCE CERTIFICATE:**

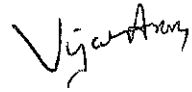
M/s J. H. Ranade & Associates, Company Secretaries were appointed to conduct Secretarial Compliances Audit under Section 383A of Companies Act, 1956 for issuing Compliance Certificate for the period ended March 31, 2014. A certificate issued by the said Firm forms part of this Report.

**11. ACKNOWLEDGEMENT:**

The Directors wish to express their gratitude to the Bankers and all the business associates for their continuous support to the Company and to the Shareholders for the confidence reposed in the Company's management.

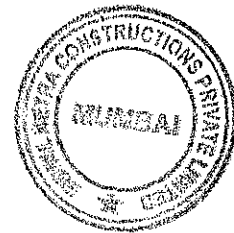
**For and on behalf of the Board of Directors**

  
Director

  
Director

**Place: Mumbai**

**Date: 15<sup>th</sup> May, 2014**



**ROYAL NETRA CONSTRUCTIONS PVT LTD**

**Balance Sheet as at 31 March, 2014**

**(Amount in Rupees)**

| Particulars |   | Note No. | As at 31 March, 2014 | As at 31 March, 2013 |
|-------------|---|----------|----------------------|----------------------|
| <b>A</b>    | <b>EQUITY AND LIABILITIES</b>                                   |          |                      |                      |
| <b>1</b>    | <b>Shareholders' funds</b>                                      |          |                      |                      |
|             | (a) Share capital   | 3        | 15,000,000           | 15,000,000           |
|             | (b) Reserves and surplus  | 4        | (7,248,330)          | (7,098,221)          |
| <b>2</b>    | <b>Non - Current liabilities</b>                                |          |                      |                      |
|             | Long-term provisions  | 5        | -                    | 146,714              |
| <b>3</b>    | <b>Current liabilities</b>                                      |          |                      |                      |
|             | (a) Short-term borrowings                                       | 6        | 442,490,800          | 430,390,800          |
|             | (b) Trade payables  | 7        | 142,288,500          | 140,934,000          |
|             | (c) Other current liabilities                                   | 8        | 84,284,139           | 85,781,897           |
|             | (d) Short Term Provisions                                       | 9        | -                    | 461,298              |
|             | <b>TOTAL</b>  |          | <b>676,815,109</b>   | <b>665,616,488</b>   |
|             | <b>ASSETS</b>   |          |                      |                      |
| <b>1</b>    | <b>Non-current assets</b>                                       |          |                      |                      |
|             | (a) Fixed Assets  | 10       | -                    | -                    |
|             | (I) Tangible Assets   |          | 4,778                | 7,963                |
|             | (II) Intangible Assets  |          | 127,747,026          | 191,620,543          |
|             | (c) Long-term loans and advances                                | 11       | 520,837              | 549,823              |
| <b>2</b>    | <b>Current assets</b>   |          |                      |                      |
|             | (a) Inventories   | 12       | 533,528,082          | 448,844,157          |
|             | (b) Cash and cash equivalents                                   | 13       | 11,790,386           | 12,160,612           |
|             | (c) Short-term loans and advances                               | 14       | 3,224,000            | 11,454,124           |
|             | (d) Other current assets  | 15       | -                    | 979,266              |
|             | <b>TOTAL</b>  |          | <b>676,815,109</b>   | <b>665,616,488</b>   |
|             | See accompanying notes forming part of the financial statements | 1 to 27  |                      |                      |

Terms of our report of even date attached.

For SHAPARIA & MEHTA  
Chartered Accountants  
Firm Registration No.: 112350W

*J. V. Shah*  
Partner  
Name: Jayavanti Shah  
Membership No: 043710



Place : Mumbai  
Date : 15th May, 2014

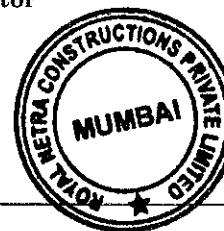
For ROYAL NETRA CONSTRUCTIONS PVT LTD

*[Signature]*

Director

*[Signature]*

Director



**ROYAL NETRA CONSTRUCTIONS PVT LTD**

**Statement of Profit and Loss for the year ended 31 March, 2014**

**(Amount in Rupees)**

| Particulars |  | Note No. | For the year ended 31 March, 2014 | For the year ended 31 March, 2013 |
|-------------|--|----------|-----------------------------------|-----------------------------------|
| 1           | Other income   | 16       | 804,594                           | 1,469,229                         |
|             | <b>Total revenue</b>   |          | <b>804,594</b>                    | <b>1,469,229</b>                  |
| 2           | <b>Expenses</b>  |          |                                   |                                   |
|             | (Increase) / Decrease in Work - In - Progress                              | 12       | (84,683,925)                      | (97,246,316)                      |
|             | Employee Benefits Expenses   | 17       | 683,083                           | 2,985,554                         |
|             | Finance Costs  | 18       | -                                 | 12,696,842                        |
|             | Depreciation and Amortization Expenses                                     | 10       | 63,876,701                        | 63,878,826                        |
|             | Other expenses   | 19       | 21,075,112                        | 18,602,883                        |
|             | <b>Total expenses</b>  |          | <b>950,971</b>                    | <b>917,789</b>                    |
| 3           | <b>Profit / (Loss) before exceptional and extra ordinary items and tax</b> |          | <b>(146,377)</b>                  | <b>551,440</b>                    |
| 4           | <b>Exceptional Items</b>   | 20       |                                   |                                   |
|             | Amalgamation Expenses  |          |                                   | 146,328.00                        |
| 5           | <b>Profit / (Loss) before extra ordinary items and tax</b>                 |          | <b>(146,377)</b>                  | <b>405,112</b>                    |
| 6           | <b>Tax Expense :</b>   |          |                                   |                                   |
|             | Current Tax Expense for current year                                       |          |                                   | (72,425)                          |
|             | (Less :) MAT Credit ( Where applicable )                                   |          |                                   | 70,316                            |
|             | Current Tax Expense relating to prior years                                |          | (3,732)                           |                                   |
|             | Deferred Tax   |          |                                   |                                   |
|             |  |          | <b>(3,732)</b>                    | <b>(2,109)</b>                    |
| 7           | <b>Profit / (Loss) for the year</b>  |          | <b>(150,109)</b>                  | <b>403,003</b>                    |
| 8           | <b>Earnings per share :</b>  | 24       |                                   |                                   |
|             | Basic and Diluted  |          | (1.00)                            | 2.69                              |
|             | See accompanying notes forming part of the financial statements            | 1 to 27  |                                   |                                   |

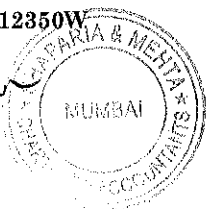
In terms of our report of even date attached.

For SHAPARIA & MEHTA

Chartered Accountants

Firm Registration No.: 112350W

*J. V. Shah*



Partner

Name: Jayavanti Shah

Membership No: 043710

Place : Mumbai

Date : 15th May, 2014

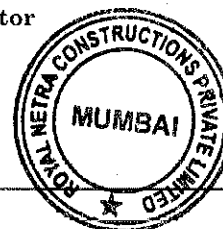
For ROYAL NETRA CONSTRUCTIONS PVT LTD

*[Signature]*

Director

*[Signature]*

Director



**ROYAL NETRA CONSTRUCTIONS PVT LTD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

(Amount in Rupees)

| PARTICULARS  | 2013-2014        | 2012-2013          |
|--|------------------|--------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                |                  |                    |
| (Loss) before tax and extraordinary items                    | (146,377)        | 405,112            |
| <b>Adjustment for</b>  |                  |                    |
| Depreciation   | 63,876,701       | 63,878,826         |
| Interest Income  | (804,594)        | (1,469,229)        |
| Interest Expense   | 63,072,107       | 12,696,842         |
|  | 62,925,730       | 75,106,439         |
| <b>Adjustment for changes in Working Capital</b>             |                  |                    |
| Changes in Inventories                                       | (84,683,924)     | (97,246,316)       |
| Changes in Loan & Advances and other current assets          | 2,150,242        | 15,278,209         |
| Changes in Liabilities & Provisions                          | (751,270)        | (2,045,177)        |
|  | (83,284,952)     | (84,013,284)       |
| Cash generated from operations                               | (20,359,222)     | (8,501,733)        |
| Taxes (paid)/ Refund   | 113,020          | -                  |
| <b>Net cash from operating activities - (A)</b>              | (20,246,202)     | (8,501,733)        |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                |                  |                    |
| Interest Income  | 1,775,976        | 1,066,227          |
| Loan Given   | -                | (6,015,000)        |
| Loan Given Refunded By Party                                 | 6,000,000        | 15,000             |
|  | 7,775,976        | (4,933,773)        |
| <b>Net cash used in investing activities- (B)</b>            | 7,775,976        | (4,933,773)        |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                |                  |                    |
| Interest Paid  | -                | (1,269,685)        |
| Loan Refunded  | (5,000,000)      | -                  |
| Loan Taken   | 17,100,000       | 6,000,000          |
|  | -                | 4,730,315          |
| <b>Net cash from financing activities - (C)</b>              | 12,100,000       | 4,730,315          |
| <b>D. NET (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)</b> | <b>(370,226)</b> | <b>(8,705,191)</b> |
| Opening cash and cash equivalent                             | 12,160,612       | 20,865,803         |
| Closing cash and cash equivalent                             | 11,790,386       | 12,160,612         |
| (Decrease) in Cash Balance                                   | <b>(370,226)</b> | <b>(8,705,191)</b> |

**Notes :**

1 Cash and Cash equivalent represents Cash and bank balances.

**2 Cash & Cash Equivalents as under:**

|  | As at 31.03.2014  | As at 31.03.2013  |
|--|-------------------|-------------------|
| Cash on Hand                                     | 5,000             | 9,605             |
| Balance In Current accounts with scheduled Banks | 2,985,386         | 1,170,422         |
| Balance In Deposit accounts with scheduled Banks | 8,800,000         | 1,100,000         |
| Other Bank Balance                               | -                 | 9,880,585         |
|  | <b>11,790,386</b> | <b>12,160,612</b> |

In terms of our report of even date attached.

For SHAPARIA & MEHTA

Chartered Accountants

Firm Registration No.: 112350W

MUMBAI

J. V. Shah

Partner

Name: Jayavanti Shah

Membership No: 043710

Place : Mumbai

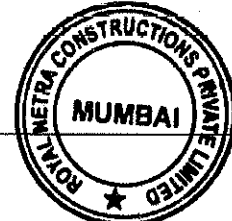
Date : 15th May, 2014

For ROYAL NETRA CONSTRUCTIONS PVT LTD

*[Signature]*

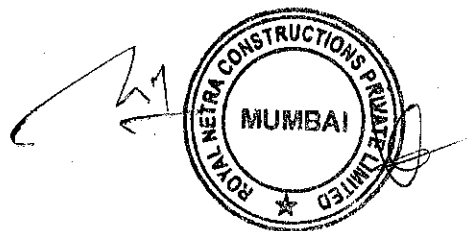
Director

Director



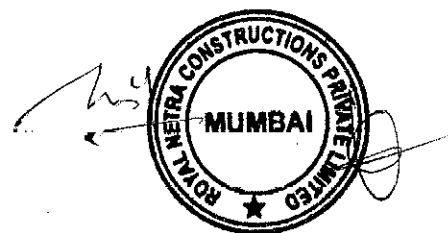
**ROYAL NETRA CONSTRUCTIONS PVT LTD**  
**Notes forming part of the financial statements**

| Note       | Particulars  |
|------------|--|
| <b>1</b>   | <p><b>Corporate information</b></p> <p>Royal Netra Construction Pvt Ltd is a company registered under the Companies Act, 1956. It was incorporated on 29<sup>th</sup> July, 2009. Out of total paid up Share Capital of 150,000 shares of Rs. 100 each, 75,600 shares of Rs. 100 each are held by D B Realty Ltd . ROYAL NETRA CONSTRUCTION PVT LTD is subsidiary company of D B Realty Ltd with 50.40% stake.</p> <p>The company is engaged in the business of Real Estate Development and Construction with specific concentration on redevelopment under the SRA Projects in the city of Mumbai.</p>  |
| <b>2</b>   | <p><b>Significant accounting policies</b></p> <p><b>2.1</b> The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the applicable accounting standards prescribed by Companies (Accounting Standards), Rules 2006. The accounting policies are consistently applied unless otherwise stated.</p> <p><b>2.2 Use of estimates</b></p> <p>The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.</p> |
| <b>2.3</b> | <p><b>Inventories</b></p> <p>A. 'Incomplete projects' (Work in Progress) are stated at Cost or Net Realizable Value, whichever is lower. 'Incomplete projects' include costs of incomplete properties for which the Company has not entered into sale agreements. 'Incomplete projects' also include initial project costs that relate directly to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure for the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.</p> <p>B. Finished properties are stated at Cost or Net Realizable Value, whichever is lower.</p>   |



**ROYAL NETRA CONSTRUCTIONS PVT LTD****Notes forming part of the financial statements**

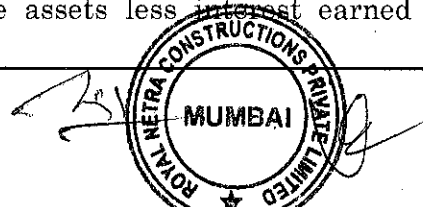
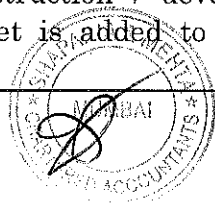
| Note         | Particulars  |
|--------------|--|
| <b>Note2</b> | <b>Significant accounting policies (contd.)</b><br><br>C. All other inventory ( including Transferable Development Rights ) is stated at Cost or Net Realizable Value, whichever is lower.<br>Cost included in inventory include costs incurred up to the completion of the project viz. cost of land, materials, services and other expenses ( including borrowing costs ) attributable to the projects.<br>Interest is capitalized to work - in- progress wherever there is direct nexus of usage of borrowed funds. The balance interest is expensed out.   |
| <b>2.4</b>   | <b>Cash and cash equivalents</b><br><br>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.  |
| <b>2.5</b>   | <b>Cash flow statement</b><br><br>Cash flows are reported using the indirect method as per Accounting Standard-3 " Cash Flow Statement" issued by ICAI, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.   |
| <b>2.6</b>   | <b>Revenue recognition</b><br><br>Revenue from projects in relation to the sold areas only is recognized on the 'Percentage of Completion Method' of accounting. Revenue is recognized subject to the project reaching a significant level of completion. The Company follows the Guidance Note on Accounting for Real Estate Transactions of the ICAI.<br><br>Further, revenue recognized in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Costs of construction/development are charged to the Profit and Loss Account in proportion with the revenue recognized during the year. The balance costs are carried as part of 'Incomplete Projects' ( Work - In - Progress ) under inventories. Amounts receivable/ payable are reflected as Debtors / Advances from Customers, respectively, after considering income recognized in the aforesaid manner. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations/conditions imposed by statutory authorities, is postponed till such obligations are discharged. |





**ROYAL NETRA CONSTRUCTIONS PVT LTD****Notes forming part of the financial statements**

| <b>Note</b>  | <b>Particulars</b>   |
|--------------|--|
| <b>Note2</b> | <b>Significant accounting policies (contd.)</b>  |
| <b>2.7</b>   | <b>Other income</b><br><br>Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.  |
| <b>2.8</b>   | <b>Tangible fixed assets</b><br><br>Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.<br>Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till commissioning of the project. |
| <b>2.9</b>   | <b>Depreciation and Amortisation:</b><br><br>Depreciation on tangible fixed assets is computed on written down value method, at the rates and manner prescribed in Schedule XIV to the Act. Depreciation for assets purchased / sold during a period is proportionately charged.<br>Intangible asset is amortised over their estimated useful life as follows:<br>Goodwill on amalgamation: 5 Years<br><br>The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.  |
| <b>2.10</b>  | <b>Investments</b><br><br>Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.  |
| <b>2.11</b>  | <b>Borrowing costs</b><br><br>Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets less interest earned on the temporary investment.   |

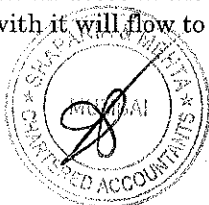


**ROYAL NETRA CONSTRUCTIONS PVT LTD****Notes forming part of the financial statements**

| Note          | Particulars  |
|---------------|--|
| <b>Note 2</b> | Significant accounting policies (contd.)   |
| <b>2.12</b>   | <b>Earnings per share</b>  |
|               | <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.</p>  |
|               | <p>Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.</p> |
|               | <p>The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>   |
| <b>2.13</b>   | <b>Provisions and contingencies</b>  |
|               | <p>A provision is recognized when the Company has a present obligation as a result of past events and 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 their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes.</p>  |
| <b>2.14</b>   | <b>Income Taxes</b>  |
|               | <p>Tax expense comprises of current tax &amp; deferred tax. Deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", (AS 22) issued by the Institute of Chartered Accountants of India. Current tax is measured at the amount expected to be paid/recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.</p>   |
|               | <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p>   |

Place : Mumbai

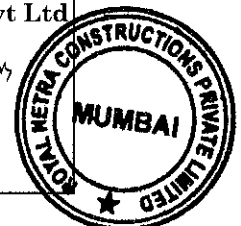
Date : 15th May, 2014



For Royal Netra Constructions Pvt Ltd

DIRECTOR

DIRECTOR



ROYAL NETRA CONSTRUCTIONS PVT LTD  
Notes forming part of the financial statements

3 Share Capital

| Particulars  | As at 31 March, 2014 |                   | As at 31 March, 2013 |                   |
|--|----------------------|-------------------|----------------------|-------------------|
|  | Number of shares     | Amount in Rupees  | Number of shares     | Amount in Rupees  |
| <b>(a) Authorized</b>  |                      |                   |                      |                   |
| Equity shares of Rs.100 each with voting rights                            | 185,000              | 18,500,000        | 185,000              | 18,500,000        |
| 0% Redeemable / convertible Participating Preference Shares of Rs.100 each | 165,000              | 16,500,000        | 165,000              | 16,500,000        |
| <b>(b) Issued</b>  |                      |                   |                      |                   |
| Equity shares of Rs.100 each fully paid-up                                 | 150,000              | 15,000,000        | 150,000              | 15,000,000        |
| <b>(c) Subscribed and fully paid up</b>                                    |                      |                   |                      |                   |
| Equity shares of Rs.100 each fully paid-up                                 | 150,000              | 15,000,000        | 150,000              | 15,000,000        |
| <b>Total</b>   | <b>150,000</b>       | <b>15,000,000</b> | <b>150,000</b>       | <b>15,000,000</b> |

(a) Reconciliation of number of shares

| Particulars                                     | As at 31 March, 2014 |                   | As at 31 March, 2013 |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | Number of shares     | Amount in Rupees  | Number of shares     | Amount in Rupees  |
| Shares outstanding at the beginning of the year | 150,000              | 15,000,000        | 150,000              | 15,000,000        |
| Shares Issued during the year                   | -                    | -                 | -                    | -                 |
| Shares outstanding at the end of the year       | <b>150,000</b>       | <b>15,000,000</b> | <b>150,000</b>       | <b>15,000,000</b> |

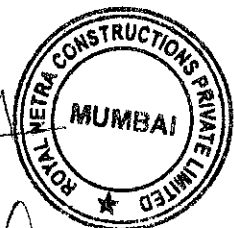
The Company has Equity shares having face value of Rs. 100/- per share. Each shareholder is eligible for one vote per share held. the voting rights dividend rights and winding up rights are in proportion to number of shares held.

(b) Details of shares held by each shareholder holding more than 5% shares:

| Name of shareholder                       | As at 31 March, 2014  |              | As at 31 March, 2013  |              |
|---|-----------------------|--------------|-----------------------|--------------|
|   | Number of shares held | % of holding | Number of shares held | % of holding |
| D B Realty Ltd                            | 75,600                | 50.40%       | 75,600                | 50.40%       |
| Murugan Properties And Management Pvt Ltd | 15,000                | 10.00%       | 15,000                | 10.00%       |
| Rajendra Mirani                           | 12,000                | 8.00%        | 12,000                | 8.00%        |

(c) Details of shares held by the holding company:

| Particulars          | Equity shares with voting rights | % of holding |
|----------------------|----------------------------------|--------------|
| As at 31 March, 2014 |                                  |              |
| D B Realty Ltd       | 75,600                           | 50.40%       |
| As at 31 March, 2013 |                                  |              |
| D B Realty Ltd       | 75,600                           | 50.40%       |



4 Reserves and surplus

| Particulars                                      | (Amount in Rupees)   |                      |
|--|----------------------|----------------------|
|  | As at 31 March, 2014 | As at 31 March, 2013 |
| <b>Security Premium Account :</b>                |                      |                      |
| Balances at the beginning of the year            | 13,500,000           | 13,500,000           |
| Add : Addition During the year                   |                      |                      |
| Balances at the end of the year                  | 13,500,000           | 13,500,000           |
| <b>(Deficit) in Statement of Profit and Loss</b> |                      |                      |
| Balances at the beginning of the year            | (20,598,221)         | (21,001,224)         |
| Add: (Loss) for the year                         | (150,109)            | 403,003              |
| Balances at the end of the year                  | (20,748,330)         | (20,598,221)         |
| <b>Total</b>                                     | <b>(7,248,330)</b>   | <b>(7,098,221)</b>   |

5 Long-term provisions

| Particulars                             | (Amount in Rupees)   |                      |
|---|----------------------|----------------------|
|   | As at 31 March, 2014 | As at 31 March, 2013 |
| <b>Provision for employee benefits:</b> |                      |                      |
| Provision for gratuity                  | -                    | 146,714              |
| <b>Total</b>                            | <b>-</b>             | <b>146,714</b>       |

6 Short-term borrowings

| Particulars  | (Amount in Rupees)   |                      |
|--|----------------------|----------------------|
|  | As at 31 March, 2014 | As at 31 March, 2013 |
| Unsecured Loans repayable on Demand                        | 127,490,800          | 120,390,800          |
| Unsecured Loans from related parties [ Refer Note no.: 23] | 315,000,000          | 310,000,000          |
| <b>Total</b>   | <b>442,490,800</b>   | <b>430,390,800</b>   |

7 Trade payables

| Particulars   | (Amount in Rupees)   |                      |
|---|----------------------|----------------------|
|   | As at 31 March, 2014 | As at 31 March, 2013 |
| - Micro Enterprises and Small Enterprises [ Refer note: 21] | -                    | -                    |
| - Others  | 142,288,500          | 140,934,000          |
| <b>Total</b>  | <b>142,288,500</b>   | <b>140,934,000</b>   |

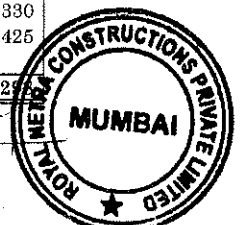
Note: 7.1 : The company will allot constructed area to the creditor as a part consideration. Trade payable includes estimated cost of constructions of such constructed area.

8 Other current liabilities

| Particulars                                | (Amount in Rupees)   |                      |
|--|----------------------|----------------------|
|  | As at 31 March, 2014 | As at 31 March, 2013 |
| Interest accrued and not due on borrowings | 84,215,639           | 84,215,639           |
| Statutory Dues                             | 8,200                | 1,308,871            |
| Others                                     | 60,300               | 257,387              |
| <b>Total</b>                               | <b>84,284,139</b>    | <b>85,781,897</b>    |

9 Short Term Provisions

| Particulars                         | (Amount in Rupees)   |                      |
|-------------------------------------|----------------------|----------------------|
|                                     | As at 31 March, 2014 | As at 31 March, 2013 |
| Provisions for Bonus                | -                    | 305,543              |
| Provisions for Compensated Absences | -                    | 83,330               |
| Provisions for Tax                  | -                    | 72,425               |
| <b>Total</b>                        | <b>-</b>             | <b>461,298</b>       |



ROYAL NETRA CONSTRUCTIONS PVT LTD

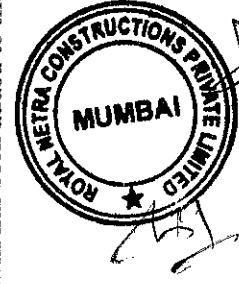
Notes forming part of the financial statements

10 Fixed Assets

| Particulars                 | Gross Block        |           |                    | Depreciation<br>For<br>the year | Net Block          |                    |
|-----------------------------|--------------------|-----------|--------------------|---------------------------------|--------------------|--------------------|
|                             | As at<br>01-Apr-13 | Additions | As at<br>31-Mar-14 |                                 | Up to<br>31-Mar-14 | As at<br>31-Mar-14 |
| Tangible Asset<br>Computers | 38,300             | -         | 38,300             | 3,185                           | 33,522             | 7,963              |
| <b>Total</b>                | <b>38,300</b>      | <b>-</b>  | <b>38,300</b>      | <b>3,185</b>                    | <b>33,522</b>      | <b>7,963</b>       |
| Previous Year               | <b>38,300</b>      | <b>-</b>  | <b>38,300</b>      | <b>5,311</b>                    | <b>30,337</b>      | <b>7,963</b>       |

| Particulars                                   | Gross Block        |           |                    | Depreciation<br>For<br>the year | Net Block          |                    |
|---|--------------------|-----------|--------------------|---------------------------------|--------------------|--------------------|
|   | As at<br>01-Apr-13 | Additions | As at<br>31-Mar-14 |                                 | Up to<br>01-Apr-13 | As at<br>31-Mar-14 |
| In-Tangible Asset<br>Goodwill on Amalgamation | 319,367,573        | -         | 319,367,573        | 63,873,516                      | 191,620,547        | 191,620,543        |
| <b>Total</b>                                  | <b>319,367,573</b> | <b>-</b>  | <b>319,367,573</b> | <b>63,873,516</b>               | <b>191,620,547</b> | <b>191,620,543</b> |
| Previous Year                                 | <b>319,367,573</b> | <b>-</b>  | <b>319,367,573</b> | <b>63,873,515</b>               | <b>127,747,031</b> | <b>191,620,543</b> |

The Debit Balance arising on the amalgamation has been debited to the Goodwill, as per the Order of the Honorable High Court of Mumbai dated 22nd March, 2012. The same shall be amortized over a period of 5 years beginning with the financial year 2011-2012. The amortized value of the Goodwill has been added to the cost of Work - In - Progress and carried forward as Closing Inventory.



**ROYAL NETRA CONSTRUCTIONS PVT LTD**  
Notes forming part of the financial statements

**Note. 11. Long-term loans and advances**

(Amount in Rupees)

| Particulars                               | As at 31 March, 2014 | As at 31 March, 2013 |
|---|----------------------|----------------------|
| (Unsecured, considered good)              |                      |                      |
| MAT Credit Entitlement                    | 72,425               | 70,316               |
| Service Tax Credit Receivable             | -                    | 927                  |
| Income Tax Refund ( Asst. Yr. : 13 - 14 ) | 75,791               | 75,791               |
| Income Tax Refund ( Asst. Yr. : 12 - 13 ) | -                    | 110,977              |
| Income Tax Refund ( Asst. Yr. : 11 - 12 ) | 41,812               | 41,812               |
| T D S ( Asst. Yr.: 14 - 15 )              | 80,809               | -                    |
| Other Loan and Advances                   | 250,000              | 250,000              |
|   | -                    | -                    |
| <b>Total</b>                              | <b>520,837</b>       | <b>549,823</b>       |

**Note. 12 Inventories**

( Lower of cost and net realizable value)

| Particulars                              | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| Work-in-progress (Refer Note 12.1 below) | 533,528,082          | 448,844,157          |

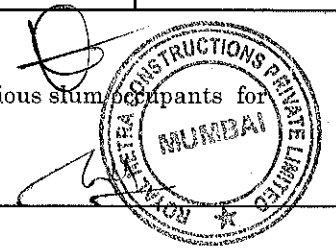
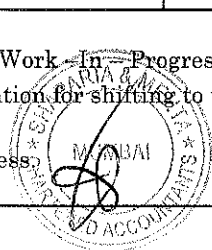
**Note. 12.1 Details of inventory of work-in-progress**

| Particulars                                    | As at 31 March, 2014 | As at 31 March, 2013 | Increase during the year | Increase during the previous year |
|--|----------------------|----------------------|--------------------------|-----------------------------------|
| Land Cost                                      | 41,786,055           | 41,786,055           | -                        | -                                 |
| Development Rights                             | 118,000,000          | 118,000,000          | -                        | -                                 |
| Land Premium                                   | 5,664,995            | 5,664,995            | -                        | -                                 |
| Purchase of Materials                          | 396,307              | 396,307              | -                        | -                                 |
| Labour Job                                     | 130,107              | 130,107              | -                        | -                                 |
| Hardship Compensation for Shifting             | 70,780,500           | 50,297,500           | 20,483,000               | 18,381,000                        |
| Professional Fees ( Architect )                | 1,906,618            | 1,906,618            | -                        | -                                 |
| Coordination Charges                           | 2,500,000            | 2,500,000            | -                        | -                                 |
| Bank Guarantee Charges                         | 96,966               | 96,966               | -                        | 13,547                            |
| Employee Benefit Cost                          | 14,854,968           | 13,815,454           | 1,039,514                | 3,107,271                         |
| Gratuity, Leave & Bonus Provision Written Back | (478,170)            | (121,717)            | (356,453)                | (121,717)                         |
| Conveyance Expenses                            | 222,850              | 173,865              | 48,985                   | 101,490                           |
| Diwali Expenses                                | 3,096,188            | 3,096,188            | -                        | -                                 |
| Site Expenses                                  | 403,000              | -                    | 403,000                  | -                                 |
| Other Expenses                                 | 314,722              | 314,722              | -                        | 7,261                             |
| Interest On Loan Taken                         | 84,881,227           | 84,881,227           | -                        | 12,696,842                        |
| Less : Interest on Bank F D R                  | (2,648,798)          | (1,841,161)          | (807,637)                | (812,894)                         |
| Amortization of goodwill                       | 191,620,547          | 127,747,031          | 63,873,516               | 63,873,516                        |
|  | <b>533,528,082</b>   | <b>448,844,157</b>   | <b>84,683,925</b>        | <b>97,246,316</b>                 |
|  |                      |                      |                          |                                   |

1. Expenses incurred in relation to slum dwellers have been included under Work - In - Progress.

2. During the period, the Company has given advance payment of Compensation for shifting to various slum occupants for alternate rehabilitation. The same has been accounted on pro rata basis.

3. Payments made for the SRA project are being shown as Work - In - Progress.



ROYAL NETRA CONSTRUCTIONS PVT LTD  
Notes forming part of the financial statements

Note 13 Cash and Bank Balances

| Particulars  | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| <b>A) Cash and cash equivalents</b>  |                      |                      |
| (a) Cash on hand   | 5,000                | 9,605                |
| (b) Balances with banks  |                      |                      |
| (i) In current accounts  | 2,985,386            | 1,170,422            |
| (ii) In deposit accounts (Refer Note (i) below)  | -                    | 1,100,000            |
| <b>Total</b>   | <b>2,990,386</b>     | <b>2,280,027</b>     |
| <b>B) Other Bank Balances</b>  |                      |                      |
| <b>Earmarked Deposit</b>   |                      |                      |
| - Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note 13.1 below) | 8,800,000            | 9,880,585            |
| <b>Total</b>   | <b>8,800,000</b>     | <b>9,880,585</b>     |
| <b>Grand Total :</b>   | <b>11,790,386</b>    | <b>12,160,612</b>    |

Notes: 13.1

Balances with banks include deposits amounting to Rs.11,00,000/- (As at 31 March 2013) and margin monies amounting to Rs.88,00,000 (As at 31 March 2014) and Rs. 98,80,585/- (As at 31 March, 2013) which have an original maturity of 12 months.

Note 14 Short-term loans and advances

| Particulars  | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| (a) <u>Prepaid expenses</u>                                |                      |                      |
| Pre-paid Compensation for Shifting                         | 3,224,000            | 5,371,500            |
| Pre-paid Insurance Charges                                 | -                    | 10,199               |
| (b) Loan Given   | -                    | 6,000,000            |
| (c) Balance with Government Authorities TDS A.Y. 2013-2014 | -                    | 72,425               |
| <b>Total</b>   | <b>3,224,000</b>     | <b>11,454,124</b>    |

Note 15 Other current assets

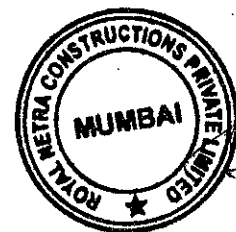
| Particulars                        | As at 31 March, 2014 | As at 31 March, 2013 |
|------------------------------------|----------------------|----------------------|
| (a) Accruals                       |                      |                      |
| (i) Interest accrued on deposits   | -                    | 576,264              |
| (b) Others                         |                      |                      |
| (i) Accrued Interest on Loan Given | -                    | 403,002              |
| <b>Total</b>                       | <b>-</b>             | <b>979,266</b>       |

Note 16 Other income

| Particulars  | For the year ended 31 March, 2014 | For the year ended 31 March, 2013 |
|--|-----------------------------------|-----------------------------------|
| a.) Interest income (Refer Note 16.1 below)                                | 804,093                           | 1,469,229                         |
| b.) Other non-operating income : Excess Provision of Expenses Written Back | 501                               | -                                 |
| <b>Total</b>   | <b>804,594</b>                    | <b>1,469,229</b>                  |

Note 16.1

| Particulars                    | For the year ended 31 March, 2014 | For the year ended 31 March, 2013 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Interest income comprises:     |                                   |                                   |
| Interest from banks on:        |                                   |                                   |
| deposits                       | 796,210                           | 1,021,449                         |
| Interest on income tax refund  | 7,883                             | -                                 |
| Interest on loans and advances | -                                 | 447,780                           |
| <b>Total - Interest income</b> | <b>804,093</b>                    | <b>1,469,229</b>                  |



**ROYAL NETRA CONSTRUCTIONS PVT LTD**  
Notes forming part of the financial statements

**Note 17 Employee benefits expense**

| Particulars                                    | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|--|--------------------------------------|--------------------------------------|
| Salary and Wages                               | 1,039,536                            | 3,107,271                            |
| Gratuity, Leave & Bonus Provision Written Back | (356,453)                            | (121,717)                            |
| <b>Total</b>                                   | <b>683,083</b>                       | <b>2,985,554</b>                     |

**ROYAL NETRA CONSTRUCTIONS PVT LTD**  
Notes forming part of the financial statements

**Note 18 Finance costs**

| Particulars              | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|--------------------------|--------------------------------------|--------------------------------------|
| (a) Interest expense on: |                                      |                                      |
| (i) Borrowings           | -                                    | 12,696,842                           |
| <b>Total</b>             | <b>-</b>                             | <b>12,696,842</b>                    |

**Note 18.1 Bifurcation of Finance costs**

| PARTICULARS                   | For the year ended 31 March, 2014 |                                    | For the year ended 31 March, 2013 |                                    |
|-------------------------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|
|                               | Profit & Loss Account             | Transferred to Work -In - Progress | Profit & Loss Account             | Transferred to Work -In - Progress |
| (a) Interest expense on:      |                                   |                                    |                                   |                                    |
| (i) Borrowings                | -                                 | -                                  | -                                 | 12,696,842                         |
| Less : Interest on Bank F D R | -                                 | -                                  | -                                 | -                                  |
| <b>Total</b>                  | <b>-</b>                          | <b>-</b>                           | <b>-</b>                          | <b>12,696,842</b>                  |

**Note 18.2**

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets less interest earned on the temporary investment.

**Note 19 Other expenses**

| Particulars                                  | For the year ended 31 March, | For the year ended 31 March, |
|--|------------------------------|------------------------------|
| Hardship Compensation for Shifting           | 20,483,000                   | 18,381,000                   |
| Conveyance Expenses                          | 60,724                       | 101,490                      |
| Rates and taxes                              | 5,020                        | 3,500                        |
| Printing and stationery                      | -                            | 2,935                        |
| Bank Guarantee Charges                       | -                            | 13,547                       |
| Site expenses                                | 403,000                      | -                            |
| Legal and professional                       | 34,714                       | 22,916                       |
| Payments to auditors (Refer Note 19.1 below) | 78,236                       | 64,880                       |
| Miscellaneous expenses                       | 10,418                       | 12,615                       |
| <b>Total</b>                                 | <b>21,075,112</b>            | <b>18,602,883</b>            |

**Notes 19.1 Bifurcation of payment to auditors**

|                               |               |               |
|-------------------------------|---------------|---------------|
| Payments to the auditors :    |               |               |
| As auditors - statutory audit | 37,753        | 28,090        |
| For taxation matters          | 13,483        | 14,607        |
| For other services            | 27,000        | 22,183        |
| <b>Total</b>                  | <b>78,236</b> | <b>64,880</b> |





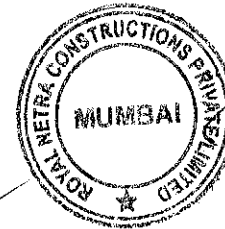
**ROYAL NETRA CONSTRUCTIONS PVT LTD**  
Notes forming part of the financial statements

**Notes 19.2 Bifurcation of Other Expenses**

| Particulars                                  | For the year ended 31 March, 2014 |                                    | For the year ended 31 March, 2013 |                   |
|--|-----------------------------------|------------------------------------|-----------------------------------|-------------------|
|  | Profit & Loss Account             | Transferred to Work -In - Progress | Profit & Loss Account             | Transferred to    |
| Hardship Compensation for Shifting           | -                                 | 20,483,000                         | -                                 | 18,381,000        |
| Conveyance Expenses                          | 11,739                            | 48,985                             | -                                 | 101,490           |
| Rates and taxes                              | 5,020                             | -                                  | 3,500                             | -                 |
| Bank Guarantee Charges                       | -                                 | -                                  | 13,547                            | -                 |
| Printing and stationery                      | -                                 | -                                  | 2,935                             | -                 |
| Legal and professional                       | 34,714                            | -                                  | 22,916                            | -                 |
| Site expenses                                | -                                 | 403,000                            | -                                 | -                 |
| Payments to auditors (Refer Note 19.1 above) | 78,236                            | -                                  | 64,880                            | -                 |
| Miscellaneous expenses                       | 10,440                            | (22)                               | 5,354                             | 7,261             |
| <b>Total</b>                                 | <b>140,149</b>                    | <b>20,934,963</b>                  | <b>113,132</b>                    | <b>18,489,751</b> |

**Note 20 Exceptional Items**

| Particulars  | For the year ended 31 March, 2014 | For the year ended 31 March, 2013 |
|--------------|-----------------------------------|-----------------------------------|
|              | Amalgamation Expenses             | -                                 |
| <b>Total</b> | <b>-</b>                          | <b>146,328</b>                    |



## 21 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

(Amount in Rupees)

| Particulars   | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|---|--------------------------------------|--------------------------------------|
| Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date.  | -                                    | -                                    |
| Interest accrued on the due to suppliers under MSMED Act on the above amount.               | -                                    | -                                    |
| Payment made to suppliers (Other than interest) beyond the appointed date, during the year. | -                                    | -                                    |
| Interest paid to suppliers under MSMED Act (other than Section 16).                         | -                                    | -                                    |
| Interest paid to suppliers under MSMED Act (Section 16).                                    | -                                    | -                                    |
| Interest due and payable to suppliers under MSMED Act for payments already made.            | -                                    | -                                    |
| Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED.      | -                                    | -                                    |

**Note:** The above information is compiled by the Company on the basis of the information made available by vendors and the same has been relied upon by the Statutory Auditors.

## 22 Segment Reporting

The Company has only reporting segment, hence segment reporting is not applicable.

## 23 Related Party Disclosure

As per Accounting Standard 18 (AS-18) 'Related Party Disclosures', the disclosure of transactions with the related parties as defined in AS -18 is given below:

A. List of Related Parties with whom transactions have taken place and their relationship:

## a) Holding Company

D B Realty Ltd

## b) Key Management Personnel

Mr. Vijay Arora

Mr. Preniel Nair

Mr. Satish Agarwal

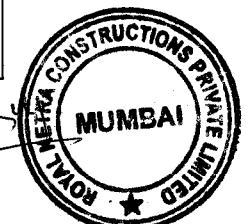
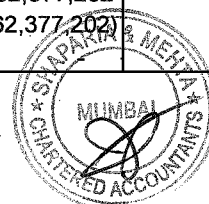
B. Transactions with Related Parties and outstanding balances as on 31.03.2014

(Amount in Rupees)

| Description                  | Holding Company              | Key Management Personnel |
|------------------------------|------------------------------|--------------------------|
| <b>Loans Taken</b>           |                              |                          |
| Opening Balance              | 310,000,000<br>(310,000,000) | -<br>(0)                 |
| Taken during the year        | 5,000,000<br>(0)             | 6,000,000<br>(0)         |
| Repaid during the year       | -<br>(0)                     | -<br>(0)                 |
| Closing Balance              | 315,000,000<br>(310,000,000) | 6,000,000<br>(0)         |
| <b>Expenses</b>              |                              |                          |
| Interest on Loan             | -<br>(9,274,520)             | -<br>(0)                 |
| Accrued Net Interest On Loan | 62,377,202<br>(62,377,202)   | -<br>(0)                 |

**Notes :**

- 1.) Related parties have been identified by the Management
- 2.) Figures in bracket relates to the previous year



**24 Earnings Per Share:**

The Profit/ (Loss) considered in ascertaining the Company's Earnings Per Share comprises the net profit/ (loss) after tax. The number of shares used in computing Basic and Diluted Earnings Per share is the weighted average number of shares outstanding during the period

(Amount in Rupees)

| Particulars   | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|---|--------------------------------------|--------------------------------------|
| Net Loss after tax as per Statement of Profit & Loss  | (150,109)                            | 403,003                              |
| Weighted Number of Shares outstanding during the year | 150,000                              | 150,000                              |
| Basic & Diluted Earnings per Share                    | (1.00)                               | 2.69                                 |
| Face value per Equity Share                           | 100                                  | 100                                  |

**25 Deferred Tax**

(Amount in Rupees)

| Particulars  | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|--|--------------------------------------|--------------------------------------|
| <b>25.1 Deferred Tax ( Liability ) / Asset</b>   |                                      |                                      |
| <u>Tax Effect of Items constituting Deferred Tax Liability</u>   |                                      |                                      |
| On difference between book balance and tax balance of fixed assets   | 1,264                                | 1,930                                |
| Tax effect of items constituting deferred tax liability  | 1,264                                | 1,930                                |
| <u>Tax Effect of Items constituting Deferred Tax Assets</u>  |                                      |                                      |
| Unabsorbed Depreciation Carried Forward  | -                                    | 625                                  |
| Preliminary Expenses   | 1,264                                | 1,305                                |
| Tax effect of items constituting deferred tax assets   | 1,264                                | 1,930                                |
| <b>Net Deferred Tax ( Liability ) / Asset</b>  | -                                    | -                                    |
| <b>25.2</b> The Company has recognized deferred tax asset to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax. The Company has not recognized deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of virtual certainty of future profits. |                                      |                                      |

**26 Contingent Liability :**

There is no contingent liability as on 31st March, 2014

**27 Previous Year Figures:**

Previous Year Figures have been regrouped and reclassified wherever necessary, so as to confirm with the figures of the current year.

**Signatures to Notes 1 to 27**

In terms of our report of even date attached.

For SHAPARIA & MEHTA

Chartered Accountants

Firm Registration No.: 112350W

*J. V. Shah*

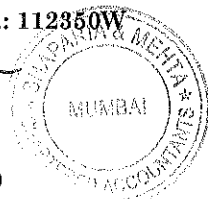
Partner

Name: Jayavanti Shah

Membership No: 043710

Place: Mumbai

Date : 15th May, 2014



For ROYAL NETRA CONSTRUCTIONS

PVT LTD

*[Signature]*

Director

*[Signature]*

Director

