

**ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED**

**BOARD OF DIRECTORS**

Mr. Vijay Arora  
Mr. Preniel 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  
CIN: U45202MH2009PTC194430  
T: 22 2526 0582. F: 22 2526 0589

## DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the Seventh Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2016.

### **1. FINANCIAL STATEMENTS & RESULTS:**

#### **a. Financial Results:**

The Company's performance during the year ended 31<sup>st</sup> March, 2016 as compared to the previous financial year, is summarized below:

	2015-16 (Rs.)	2014-15 (Rs.)
Other Income	7,48,068	7,98,615
Expenses	9,95,730	9,67,619
Profit/(loss) before exceptional items and tax	<b>(2,47,662)</b>	<b>(1,69,004)</b>
<b>Exceptional items</b>		
Amalgamation Expenses	-	-
<b>Profit/(loss) before extraordinary items and tax</b>	<b>(2,47,662)</b>	<b>(1,69,004)</b>
Tax expenses for current year		
MAT credit (where applicable)		
Current Tax Expense relating to prior years	-	-
<b>Net Current tax expenses</b>	-	-
<b>Profit/(loss) after Tax</b>	<b>(2,47,662)</b>	<b>(1,69,004)</b>

#### **b. OPERATIONS:**

There was no change in nature of the business of the Company, during the year under review.

#### **c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

#### **d. DIVIDEND:**

In view of loss made by the Company, your Directors do not recommend any Dividend for the period ended on 31st March 2016



**e. TRANSFER TO RESERVES:**

In view of loss incurred during the year under review, the Board of Directors has not recommended transfer of any amount to reserves.

**f. REVISION OF FINANCIAL STATEMENT:**

There was no revision of the financial statements for the year under review.

**g. DEPOSITS:**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**h. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:**

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

**i. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

**j. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

The details of transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in Annexure I and forms part of this Report.

**k. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

The Company has not given any Loans or issued any guarantees or made any Investments as per provisions of Companies Act, 2013 and rules made thereunder during the F.Y. 2015-16.

**l. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.



**m. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**n. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors of the Company is duly constituted. During the year under review, Mr. Parag K. Shah resigned from the office of Director w.e.f. 10<sup>th</sup> December, 2015 due to additional work commitments.

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

**3. DISCLOSURES RELATED TO BOARD [COMMITTEES AND POLICIES]-(if applicable)**

**a. BOARD MEETINGS:**

Five meetings of Board of Directors were held during the financial year under review i.e. on 22<sup>nd</sup> May, 2015, 28<sup>th</sup> July, 2015, 15<sup>th</sup> October, 2015, 10<sup>th</sup> December, 2015 and 13<sup>th</sup> January, 2016.

**b. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2016, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors 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 as at 31<sup>st</sup> March, 2016 and of the loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

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**c. INTERNAL CONTROL SYSTEMS:**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

**d. PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:**

None of the managerial personnel i.e. Managing Director and Whole time Directors of the Company are in receipt of remuneration/commission from the Holding or Subsidiary Company of the Company.

**4. AUDITORS AND REPORTS:**

The matters related to Auditors and their Reports are as under:

**a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016:**

The observations made by the Statutory Auditors in their report for the financial year ended 31<sup>st</sup> March 2016 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**b. RATIFICATION OF APPOINTMENT OF AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Shaparia Mehta & Associates L L P, Chartered Accountants, Firm Registration Number 112350W/W-100051 the Statutory Auditors of the Company have been appointed for a term of five years. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

**5. OTHER DISCLOSURES:**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the

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Annual Return for the financial year ended 31<sup>st</sup> March 2016 made under the provisions of Section 92(3) of the Act is attached as Annexure II which forms part of this Report.

**b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

During the year under review, the Company has neither earned nor used any foreign exchange.

**6. ACKNOWLEDGEMENTS AND APPRECIATION:**

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.

Place: Mumbai  
Date: 11<sup>th</sup> May, 2016



For and on behalf of the Board of Directors

  
Director

  
Director

**ANNEXURE I**

**Form No. AOC-2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Details of material contracts or arrangement or transactions at arm's length basis**

<b>Name(s) of the related party</b>	<b>D B Realty Ltd</b>	<b>Vijay Arora</b>	<b>Parag K Shah*</b>
<b>Nature of relationship</b>	Holding Company	Director	Director ( Resigned on 10.12.2015)
<b>Nature of contracts/ arrangements/ transactions</b>	Unsecured loan taken by Company	Unsecured loan taken by Company	Unsecured loan taken by Company
<b>Duration of the contracts / arrangements/transactions</b>	On Demand	On Demand	On Demand
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Interest Free loan taken of Rs. 92,84,000/- repayable on demand for business purposes	Interest Free loan taken of Rs. 50,00,000/- repayable on demand for business purposes	Interest Free loan taken of Rs. 5,02,920/- repayable on demand for business purposes
<b>Date(s) of approval by the Board, if any</b>	22/05/2015	22/05/2015	22/05/2015
<b>Amount paid as advances, if any</b>	-	-	-

\*Mr. Parag K. Shah resigned as Director W.e.f 10<sup>th</sup> December, 2015



**For Royal Netra Constructions Private Limited**

*[Signature]*  
Director

*[Signature]*  
Director

**Place: Mumbai**  
**Date: 11<sup>th</sup> May, 2016**





e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>75,600</b>	<b>75,600</b>	<b>50.40</b>	-	<b>75,600</b>	<b>75,600</b>	<b>50.40</b>	-
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI									
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	-	15,870	15,870	10.58	-	15,870	15,870	10.58	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	58,530	58,530	39.02	-	58,530	58,530	39.02	-
Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(2):</b>	-	<b>74,400</b>	<b>74,400</b>	<b>49.60</b>	-	<b>74,400</b>	<b>74,400</b>	<b>49.60</b>	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	<b>74,400</b>	<b>74,400</b>	<b>49.60</b>	-	<b>74,400</b>	<b>74,400</b>	<b>49.60</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>15,00,000</b>	<b>15,00,000</b>	<b>100</b>	-	<b>15,00,000</b>	<b>15,00,000</b>	<b>100</b>	-



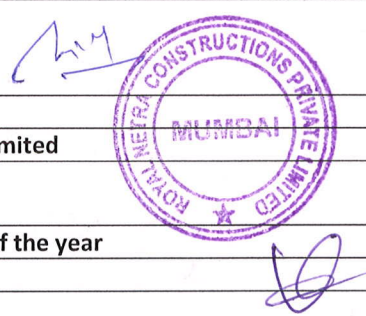
ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	DB Realty Limited	75,600	50.40	-	75,600	50.40	-	-
	<b>Total</b>							

iii. Change In Promoters' Shareholding:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	DB Realty Limited	75,600	50.40	75,600	50.40
	At the End of the year	N.A.	N.A.	75,600	50.40

There is no change in the absolute shareholding during the year.



iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change	Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Murugan Properties and Management Private Limited</b>	15,000	10.00	15,000	10.00
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)	N.A.	N.A.	15,000	10.00
2.	<b>Bharat M. Modi</b>	6,000	4.00	6,000	4.00
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)	N.A.	N.A.	6,000	4.00
3.	<b>Raja Mirani</b>	12,000	8.00	12,000	8.00
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)	N.A.	N.A.	12,000	8.00
4.	<b>Mansi P. Shah j/w Parag K. Shah</b>	7,500	5.00	7,500	5.00
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)	N.A.	N.A.	7,500	5.00
5.	<b>Manan P. Shah j/w Mansi P. Shah</b>	6,000	4.00	6,000	4.00
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)	N.A.	N.A.	6,000	4.00
6.	<b>Vandana Desai j/w Berjis Desai</b>	7,500	5.00	7,500	5.00

	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)	N.A.	N.A.	7,500	5.00
<b>7.</b>	<b>Ajwani Infrastructure Private Limited</b>	870	0.58	870	0.58
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)	N.A.	N.A.	870	0.58
<b>8.</b>	<b>Navin Ajwani j/w Garima Ajwani</b>	4,530	3.02	4,530	3.02
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)	N.A.	N.A.	4,530	3.02
<b>9.</b>	<b>Parag K. Shah j/w Mansi P. Shah*</b>	3,000	2.00	3,000	2.00
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)	N.A.	N.A.	3,000	2.00

\* Mr. Parag K. Shah resigned as Director w.e.f 10<sup>th</sup> December, 2015.

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Directors and KMP				
<b>1.</b>	<b>Vijay Arora</b>	6,000	4.00	6,000	4.00
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2016)	N.A.	N.A.	6,000	4.00
<b>2.</b>	<b>Preniel Nair</b>	6,000	4.00	6,000	4.00
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2016)	N.A.	N.A.	6,000	4.00

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V. INDEBTEDNESS:

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	48,62,20,036	-	48,62,20,036
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	6,58,01,797	-	6,58,01,797
Total (i+ii+iii)	-	55,20,21,833	-	55,20,21,833
Change in Indebtedness during the financial year				
Addition	-	2,52,60,000	-	2,52,60,000
Reduction	-	(84,00,000)	-	(84,00,000)
Net Change	-	1,68,60,000	-	1,68,60,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	50,30,80,036	-	50,30,80,036
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	6,64,43,668	-	6,64,43,668
Total (i+ii+iii)	-	56,95,23,704	-	56,95,23,704

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Directors of the Company are not paid any kind of remuneration and as per Companies Act, 2013 the Company is not required to appoint any Key Managerial Personnel; hence the disclosure is not applicable to the Company.

A. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount (in Rs.)
	1. Independent Directors		NIL
	• Fee for attending board / committee meetings	-	
	• Commission	-	
	• Others, please specify	-	
	<b>Total (1)</b>		
	2. Other Non-Executive Directors		
	• Fee for attending board / committee meetings	Mr. Satish Agarwal	
		Mr. Parag Shah*	
		Mr. Vijay Arora	
	• Commission	Mr. Preneel Nair	
	• Others, please specify		
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>		
	<b>Total Managerial Remuneration</b>		
	Overall Ceiling as per the Act	N.A.	

\* Mr. Parag K. Shah resigned as Director w.e.f 10<sup>th</sup> December, 2015.

B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

The Company has not appointed any Key Managerial Personnel during the F.Y. 2015-16; hence the disclosure is not applicable to the Company.



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For Royal Netra Constructions Private Limited

Place: Mumbai  
Date: 11<sup>th</sup> May ,2016



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Director

A handwritten signature in blue ink, appearing to be "Vijay ...".

Director

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED.

#### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Royal Netra Constructions Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, Statement of Profit and Loss and the cash flow statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

#### 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes



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evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flow for the year ended on that date.

### **Emphasis of Matter**

We draw attention to note 10.1.3 to the financials which describes the writ filed against the Company and government authorities by Jijamata Nagar Sankalp Co-Operative Housing Society against designating the land under the Draft Development Plan 2034 (Draft DP 2034) dated 25th Feb' 2015, is now being shown as designated for reservation of Public Open Space and Dispensary/Health Post as opposed to existing status of the plot which is partly in residential zone and partly in road and partly reserved for playground, vide letter of Intent (LOI) issued by Slum Rehabilitation Authority dated 15th April, 2009.

Draft Development Plan 2034 (Draft DP 2034) dated 25th February 2015 has not been finalized and many changes are done by the Government Authorities in the said draft plan in recent times. The management is constantly observing the changes and progress to the Draft DP 2034 and is confident that the Final Plan would remove all the anomalies.

Our opinion is not qualified in respect of this matter.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received, from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the pending litigation in its financial statements. Refer note no 10.1.3 to the financial statements.
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, as required under applicable law or accounting standard.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Shaparia Mehta & Associates LLP**  
**Chartered Accountants**  
**(Firm's Registration No.- 112350W / W-100051)**



**Sandeep Kumar Chhajer**  
**Partner**

**Membership No.- 160212**

**Place of Signature: Mumbai**

**Date: 11<sup>th</sup> May, 2016**



**Annexure A to the Independent Auditor's Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

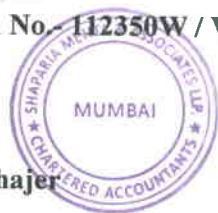
- i. The Company does not own any tangible fixed asset in the current year, thus the provisions of clauses i (b) and i (c) of the order are not applicable to the company.
- ii. The Company holds an inventory related to construction cost of project which is carried in the books under Work-In-Progress. As the Company does not hold the inventories as defined in Accounting Standard 2, Valuation of Inventories, item (ii) of paragraph of the order is not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (b) and iii (c) of the order are not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not given loans, guarantees, and security, or invested in other companies. Consequently, provision of this clause of the order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public so as to require any compliance of the directives of Reserve Bank of India or the provisions of section 73 or 76 of the Companies Act, 2013. As explained to us, the Company has not received any order passed by the Company Law Board or the National Company Law Tribunal or any court or other forum.
- vi. According to the information and explanation given to us, maintenance of cost records in not applicable to the Company.
- vii. In respect of statutory dues :
  - a. In our opinion and according to the information and explanations given to us, the Company is normally regular in depositing undisputed statutory dues including Income-tax TDS, Service tax, and any other applicable statutory dues to the appropriate authorities. There is no outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, there are no disputed dues of Income tax, service tax which have not been deposited on account of any dispute.



- viii. In our opinion and according to the information and explanations given to us the Company, the Company did not have any outstanding loans or borrowing to financial institutions, banks, government or dues to debenture holders during the year. Thus reporting requirements under this sub-clause are not applicable.
- ix. The Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor any term loans during period under audit. Accordingly, provision of this clause of the order is not applicable to the Company.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the company has not paid or provided any managerial remuneration. Hence, reporting requirements under this clause are not applicable.
- xii. The Company is not a Niddhi Company as defined under section 406 of the Companies Act, 2013. Accordingly, reporting under this clause of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties during the current audit period are in compliance with section 177 and 188 of Companies Act, 2013. The Company has complied with the requirement disclosing the details in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Hence, reporting requirements under this clause (xiv) are not applicable.
- xv. On the basis of information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the order is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Shaparia Mehta & Associates LLP  
Chartered Accountants**

(Firm's Registration No. - 112350W / W-100051)



**Sandeep Kumar Chhajjer  
Partner**

**Membership No.- 160212**

**Place of Signature: Mumbai**

**Date: 11<sup>th</sup> May, 2016**

**Annexure - B to the Auditor's Report**

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

We have audited the internal financial controls over financial reporting of Royal Netra Constructions Private Limited ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Shaparia Mehta & Associates LLP**  
**Chartered Accountants**  
**(Firm's Registration No.- 112350W / W-100051)**

  
**Sandeep Kumar Chhajjar**  
**Partner**



**Membership No.- 160212**

**Place of Signature: Mumbai**

**Date: 11<sup>th</sup> May, 2016**

**ROYAL NETRA CONSTRUCTIONS PVT LTD**

**Balance Sheet as at 31 March, 2016**


**(Amount in Rupees)**

Particulars		Note No.	As at 31 March, 2016	As at 31 March, 2015
<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	(7,669,774)	(7,422,112)
<b>2</b>	<b>Non - Current liabilities</b>			
	Long-term provisions		-	-
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	503,080,036	486,220,036
	(b) Trade payables	6	143,038,500	143,540,500
	(c) Other current liabilities	7	66,528,526	65,911,795
	(d) Short Term Provisions		-	-
	<b>TOTAL</b>		<b>719,977,288</b>	<b>703,250,219</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed Assets	8		
	(I) Tangible Assets		-	-
	(II) Intangible Assets		-	63,873,510
	(c) Long-term loans and advances	9	658,949	557,934
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	10	704,460,779	628,049,571
	(b) Cash and Bank Balances	11	14,857,560	10,719,244
	(c) Short-term loans and advances	12	-	49,960
	(d) Other current assets		-	-
	<b>TOTAL</b>		<b>719,977,288</b>	<b>703,250,219</b>
	See accompanying notes forming part of the financial statements	1 to 23		

**In terms of our Report of even date attached.**

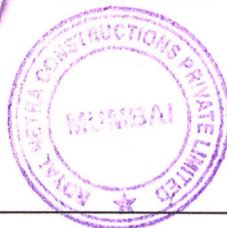
**For Shaparia Mehta & Associates L L P**  
**Chartered Accountants**  
**Firm Registration No.: 112350W / W-100051**

**For ROYAL NETRA CONSTRUCTIONS PVT LTD**

*Chhajer*  
  
**Partner**  
**Name: Sandeep Kumar Chhajer**  
**Membership No: 160212**

*Vijayendra*  
  
**Director**

**Place : Mumbai**  
**Date : 11th May, 2016**



ROYAL NETRA CONSTRUCTIONS PVT LTD

Statement of Profit and Loss for the financial year ended 31 March, 2016

(Amount in Rupees)

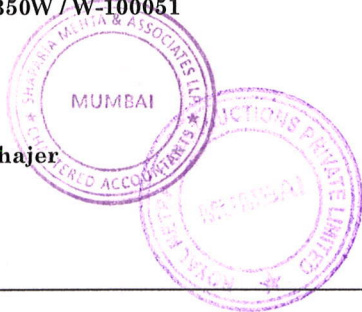
Particulars		Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
1	Other income	13	748,068	798,615
	<b>Total revenue</b>		<b>748,068</b>	<b>798,615</b>
2	<b>Expenses</b>			
	( Increase ) / Decrease in Work - In - Progress	10	(76,411,208)	(94,521,489)
	Employee Benefits Expenses	14	-	65,008
	Finance Costs	15	716,061	392,055
	Depreciation and Amortization Expenses	8	63,873,510	63,873,516
	Other expenses	16	12,817,367	31,158,529
	<b>Total expenses</b>		<b>995,730</b>	<b>967,619</b>
3	<b>Profit / (Loss) before exceptional and extra ordinary items and tax</b>		<b>(247,662)</b>	<b>(169,004)</b>
4	<b>Exceptional Items</b>			
	Amalgamation Expenses		-	-
5	<b>Profit / (Loss) before extra ordinary items and tax</b>		<b>(247,662)</b>	<b>(169,004)</b>
6	<b>Tax Expense :</b>			
	Current Tax Expense for current year			
	(Less :) MAT Credit ( Where applicable )			
	Current Tax Expense relating to prior years			
	Deferred Tax			
			-	-
7	<b>Profit / (Loss) for the year</b>		<b>(247,662)</b>	<b>(169,004)</b>
8	<b>Earnings per share :</b>	20		
	Basic and Diluted		(1.65)	(1.13)
	See accompanying notes forming part of the financial statements	1 to 23		

In terms of our Report of even date attached.

For Shaparia Mehta & Associates L L P  
Chartered Accountants  
Firm Registration No.: 112350W/W-100051

For ROYAL NETRA CONSTRUCTIONS PVT LTD

*Chhaj*  
Partner  
Name: Sandeep Kumar Chhajer  
Membership No: 160212



*[Signature]* *Vijay Kumar*

Director

Director

Place : Mumbai  
Date : 11th May, 2016

**ROYAL NETRA CONSTRUCTIONS PVT LTD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

(Amount in Rupees)

PARTICULARS	2015-2016		2014-2015	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
(Loss) before tax and extraordinary items		(247,662)		(169,004)
<b>Adjustment for</b>				
Depreciation	63,873,510		63,873,516	
Interest Income	(745,493)		(789,090)	
		63,128,017		63,084,426
<b>Adjustment for changes in Working Capital</b>		62,880,355		62,915,422
Changes in Inventories	(76,411,208)		(94,521,489)	
Changes in Loan & Advances and other current assets	(2,575)		(5,584,148)	
Changes in Liabilities & Provisions	114,731		1,646,717	
		(76,299,052)		(98,458,920)
Cash generated from operations		(13,418,697)		(35,543,498)
Taxes (paid)/ Refund		26,070		-
<b>Net cash from operating activities - (A)</b>		(13,392,627)		(35,543,498)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Income	745,493		789,090	
Less : TDS on interest	(74,550)		78,909	
Loan Given Refunded By Party		670,943	-	710,181
<b>Net cash used in investing activities- (B)</b>		670,943		710,181
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid			(9,451,367)	
Loan Refunded	(8,400,000)		(67,364,200)	
Loan Taken	25,260,000		101,777,742	
<b>Net cash from financing activities - (C)</b>		16,860,000		24,962,175
<b>D. NET (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)</b>		<b>4,138,316</b>		<b>(9,871,142)</b>
Opening cash and cash equivalent		1,919,244		11,790,386
Closing cash and cash equivalent		6,057,560		1,919,244
(Decrease) in Cash Balance		<b>4,138,316</b>		<b>(9,871,142)</b>

**Notes :**

1 Cash and Cash equivalent represents Cash and bank balances.

2 Cash & Cash Equivalents as under:

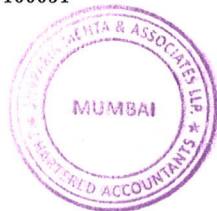
Cash on Hand  
Balance In Current accounts with scheduled Banks

	As at 31.03.2016	As at 31.03.2015
Cash on Hand	5,000	4,800
Balance In Current accounts with scheduled Banks	6,052,560	1,914,444
	<b>6,057,560</b>	<b>1,919,244</b>

In terms of our report of even date attached.

For Shaparia Mehta & Associates L L P  
Chartered Accountants  
Firm Registration No.: 112350W / W-100051

Partner  
Name: Sandeep Kumar Chhajer  
Membership No: 160212



Place : Mumbai  
Date : 11th May, 2016

For ROYAL NETRA CONSTRUCTIONS PVT LTD

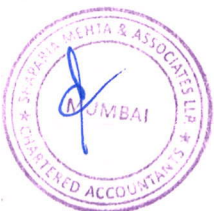
Director

Director



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

Note	Particulars
1	<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>
2	<p><b>Significant accounting policies</b></p> <p>2.1 These financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with the provisions of the Companies Act, 2013 ('the Act'), the accounting principles generally accepted in India (Indian GAAP) and comply with the accounting standards notified under Section 211(3C) prescribed in the Companies (Accounting Standards) Rules, 2006 (which are deemed to be applicable as per section 133 of the companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014). The accounting policies have been consistently applied by the Company unless otherwise stated.</p> <p>2.2 <b>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> <p>2.3 <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>



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

Note	Particulars
<b>Note2</b>	<b>Significant accounting policies (contd.)</b>
	<p>C. All other inventory ( including Transferable Development Rights ) is stated at Cost or Net Realizable Value, whichever is lower. 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. Interest is capitalized to work - in- progress wherever there is direct nexus of usage of borrowed funds. The balance interest is expensed out.</p>
	<b>2.4 Cash and cash equivalents</b>
	<p>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.</p>
	<b>2.5 Cash flow statement</b>
	<p>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.</p>
	<b>2.6 Revenue recognition</b>
	<p>Construction revenue has been recognized on percentage completion method ( which comprises of Land cost in 'proportion to percentage of completion of construction and Construction cost in proportion of percentage of completion of construction), provided the following thresholds have been met :</p>
	<p>(a) All Critical approvals necessary for the commencement have been obtained;</p> <p>(b) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;</p> <p>(c) At least 25 percent of the saleable project area is secured by contracts or agreement with buyers; and</p> <p>(d) At least 10 percent of the allotment / agreement value is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.</p>



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

Note	Particulars
Note2	<p data-bbox="215 219 821 257"><b>Significant accounting policies (contd.)</b></p> <p data-bbox="215 302 422 336"><b>2.7 Other income</b></p> <p data-bbox="215 376 1552 448">Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.</p> <p data-bbox="215 488 534 526"><b>2.8 Tangible fixed assets</b></p> <p data-bbox="215 566 1552 862">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.</p> <p data-bbox="215 869 1552 940">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.</p> <p data-bbox="215 1003 694 1041"><b>2.9 Depreciation and Amortisation:</b></p> <p data-bbox="215 1081 1552 1187">Depreciation on tangible fixed assets is computed on written down value method, at the rates and manner prescribed in Schedule II to the Act. Depreciation for assets purchased / sold during a period is proportionately charged.</p> <p data-bbox="215 1193 1189 1227">Intangible asset is amortised over their estimated useful life as follows:</p> <p data-bbox="215 1234 694 1267">Goodwill on amalgamation: 5 Years</p> <p data-bbox="215 1283 1552 1355">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.</p> <p data-bbox="215 1473 391 1512"><b>2.10 Investments</b></p> <p data-bbox="215 1552 1552 1702">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.</p> <p data-bbox="215 1787 454 1825"><b>2.11 Borrowing costs</b></p> <p data-bbox="215 1865 1552 2083">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.</p>

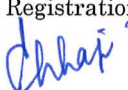



**ROYAL NETRA CONSTRUCTIONS PVT LTD**  
**Notes forming part of the financial statements**

Note	Particulars
<p><b>Note2</b>  <b>2.12 Earnings per share</b></p>	<p>Significant accounting policies (contd.)</p> <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> <p><b>2.13 Provisions and contingencies</b></p> <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> <p><b>2.14 Income Taxes</b></p> <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 to/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>

**For Shaparia Mehta Associates L L P**  
**Chartered Accountants**

Firm Registration no : 0112350W / W-100051

*Chhajer*  
  
**Partner**  
**Name: Sandeep Kumar Chhajer**  
**Membership No: 160212**



**For Royal Netra Costructions Pvt Ltd**

*[Signature]* *Vijayadas*  
**Director**      **Director**

Place : Mumbai  
 Date : 11th May, 2016



3 Share Capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	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, 2016		As at 31 March, 2015	
	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, 2016		As at 31 March, 2015	
	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
<b>As at 31 March, 2015</b>		
D B Realty Ltd	75,600	50.40%
<b>As at 31 March, 2014</b>		
D B Realty Ltd	75,600	50.40%



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

**4 Reserves and surplus**

Particulars	(Amount in Rupees)	
	As at 31 March, 2016	As at 31 March, 2015
<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	<b>13,500,000</b>	<b>13,500,000</b>
<b>(Deficit) in Statement of Profit and Loss</b>		
Balances at the beginning of the year	(20,922,112)	(20,748,330)
Less: Depreciation written off according to Companies Act 2013.		(4,778)
Add: (Loss) for the year	(247,662)	(169,004)
Balances at the end of the year	<b>(21,169,774)</b>	<b>(20,922,112)</b>
<b>Total</b>	<b>(7,669,774)</b>	<b>(7,422,112)</b>

**5 Short-term borrowings**

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unsecured Loans repayable on Demand	150,328,036	30,526,600
Unsecured Loans from related parties [ Refer Note no.: 19]	352,752,000	455,693,436
<b>Total</b>	<b>503,080,036</b>	<b>486,220,036</b>

**5.1** Out of Unsecured Loans repayable on Demand as at 31st March' 2016 - Loan amount of Rs.91,00,000/- bears interest @ 9% p.a. The corresponding amount as at 31st March, 2015 is Rs.75,00,000/-.



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

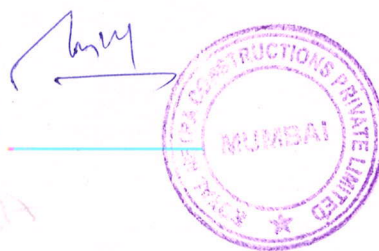
**6 Trade payables**

Particulars	As at 31 March, 2016	As at 31 March, 2015
- Micro Enterprises and Small Enterprises [ Refer note: 17]		-
- Others	143,038,500	143,540,500
<b>Total</b>	<b>143,038,500</b>	<b>143,540,500</b>

Note: 6.1 : The company will allot constructed area to the creditor as a part consideration. Trade payable includes estimated cost of constructions of such constructed area.

**7 Other current liabilities**

Particulars	As at 31 March, 2016	As at 31 March, 2015
Interest accrued and not due on borrowings	4,066,466	3,424,595
Interest accrued and not due on borrowings from related party [ Refer Note no.: 19]	62,377,202	62,377,202
Statutory Dues	22,213	45,836
Others	62,645	64,162
<b>Total</b>	<b>66,528,526</b>	<b>65,911,795</b>



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ROYAL NETRA CONSTRUCTIONS PVT LTD

Notes forming part of the financial statements

8 Fixed Assets

Particulars	Gross Block				Depreciation			Net Block		
	As at 01-Apr-15	Additions	Deduction / Scrap	As at 31-Mar-16	Up to 01-Apr-15	For the Period	Deduction / Scrap	Up to 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
In-Tangible Asset Goodwill on Amalgamation	319,367,573	-		319,367,573	255,494,063	63,873,510		319,367,573	-	63,873,510
<b>Total</b>	<b>319,367,573</b>	-		<b>319,367,573</b>	<b>255,494,063</b>	<b>63,873,510</b>		<b>319,367,573</b>	-	<b>63,873,510</b>
Previous Year	319,367,573	-		319,367,573	191,620,547	63,873,516		255,494,063	63,873,510	127,747,026

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. 9. Long-term loans and advances**

Particulars	As at 31 March, 2016	As at 31 March, 2015
(Unsecured, considered good)		
MAT Credit Entitlement	72,425	72,425
Income Tax Refund	102,256	75,791
T D S	234,268	159,718
Other Loan and Advances	250,000	250,000
<b>Total</b>	<b>658,949</b>	<b>557,934</b>

**Note. 10 Inventories**

(At lower of cost and net realizable value)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Work-in-progress (Refer Note 10.1 below)	704,460,779	628,049,571

**Note. 10.1 Details of inventory of work-in-progress**

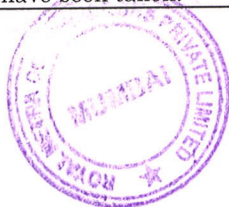
Particulars	As at 31 March, 2016	As at 31 March, 2015	Increase during the year	Increase during the previous year
Land Cost	41,786,055	41,786,055	-	-
Development Rights	118,000,000	118,000,000	-	-
Land Premium	5,664,995	5,664,995	-	-
Purchase of Materials	396,307	396,307	-	-
Labour Job	130,107	130,107	-	-
Hardship Compensation for Shifting	114,204,500	101,760,500	12,444,000	30,980,000
Professional Fees ( Architect )	1,906,618	1,906,618	-	-
Coordination Charges	2,500,000	2,500,000	-	-
Bank Guarantee Charges	96,966	96,966	-	-
Employee Benefit Cost	14,854,968	14,854,968	-	-
Gratuity, Leave & Bonus Provision Written Back	(413,162)	(413,162)	-	65,008
Conveyance Expenses	222,850	222,850	-	-
Diwali Expenses	3,096,188	3,096,188	-	-
Site Expenses	529,000	403,000	126,000	-
Other Expenses	314,722	314,722	-	-
Interest On Loan Taken	85,986,473	85,273,282	713,191	392,055
Less : Interest on Bank F D R	(4,183,381)	(3,437,888)	(745,493)	(789,090)
Amortization of goodwill	319,367,573	255,494,063	63,873,510	63,873,516
	<b>704,460,779</b>	<b>628,049,571</b>	<b>76,411,208</b>	<b>94,521,489</b>

10.1.1. Expenses incurred in relation to slum dwellers have been included under Work –In – Progress.

10.1.2. Payments made for the SRA project are being shown as Work –In – Progress.

10.1.3.As per the the Draft Development Plan 2034 (Draft DP 2034) dated 25th Feb' 2015, the plot/property (a part of the Land where the Company is to execute a SRA project) occupied by Jijamata Nagar Sankalp Co-Operative Housing Society (JijaMata Society) is now being shown as designated for reservation of Public Open Space and Dispensary/Health Post as opposed to existing status of the plot which is partly in residential zone and partly in road and partly reserved for playground, vide letter of Intent (LOI) issued by Slum Rehabilitation Authority dated 15th April,2009.

JijaMata Society has filed writ petition in High Court against designating the said Plot as per above and inaction/ refusal on the part of authorities in revalidating the LOI despite all requisite steps have been taken.





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

**Note 11 Cash and Bank Balances**

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>A) Cash and cash equivalents</b>		
(a) Cash on hand	5,000	4,800
(b) Balances with banks		
(i) In current accounts	6,052,560	1,914,444
<b>Total</b>	<b>6,057,560</b>	<b>1,919,244</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 11.1 below)	8,800,000	8,800,000
<b>Total</b>	<b>8,800,000</b>	<b>8,800,000</b>
<b>Grand Total :</b>	<b>14,857,560</b>	<b>10,719,244</b>

**Notes: 11.1**

Balances with banks include margin monies amounting to Rs.88,00,000 (As at 31 March, 2016) which have original maturity of 12 months.

**Note 12 Short-term loans and advances**

Particulars	As at 31 March, 2016	As at 31 March, 2015
Balance with Government Authorities	-	49,960
Project Advances	-	-
<b>Total</b>	<b>-</b>	<b>49,960</b>

**Note 13 Other income**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
a.) Interest income (Refer Note 13.1 below)	748,068	797,238
b.) Other non-operating income	-	1,377
<b>Total</b>	<b>748,068</b>	<b>798,615</b>

**Note 13.1**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest income comprises:		
Interest from banks on:		
deposits	745,493	789,090
Interest on income tax refund	2,575	8,148
<b>Total - Interest income</b>	<b>748,068</b>	<b>797,238</b>

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

**Note 14 Employee benefits expense**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Salary and Wages		-
Gratuity, Leave & Bonus Provision paid / (Written Back)		65,008
<b>Total</b>	-	65,008

**Note 15 Finance costs**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
(a) Interest expense on:		
(i) Borrowings	716,061	392,055
<b>Total</b>	716,061	392,055

**Note 16 Other expenses**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Hardship Compensation for Shifting	12,444,000	30,980,000
Conveyance Expenses	31,630	250
Rates and taxes	2,500	4,400
Site expenses	126,000	-
Legal and professional	16,587	26,820
ROC Fees	2,400	-
Payments to auditors (Refer Note 16.1 below)	118,880	117,753
Miscellaneous expenses	75,370	29,306
<b>Total</b>	12,817,367	31,158,529

**Notes 16.1 Bifurcation of payment to auditors**

Payments to the auditors :		
As auditors - statutory audit	47,700	40,000
For taxation matters	71,180	77,753
For other services		-
<b>Total</b>	118,880	117,753



6

**ROYAL NETRA CONSTRUCTIONS PVT LTD**

**Notes forming part of the financial statements**

**Notes 16.2 Bifurcation of Other Expenses**

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	Profit & Loss Account	Transferred to Work -In - Progress	Profit & Loss Account	Transferred to Work -In - Progress
Hardship Compensation for Shifting	-	12,444,000	-	30,980,000
Conveyance Expenses	31,630		-	
Rates and taxes	2,500		4,400	
Legal and professional	16,587		26,820	
Site expenses	-	126,000	-	
ROC Fees	2,400			
Payments to auditors	118,880		117,753	
Miscellaneous expenses	75,370		27,929	
<b>Total</b>	<b>247,367</b>	<b>12,570,000</b>	<b>176,902</b>	<b>30,980,000</b>



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

(Amount in Rupees)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
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.

## 18 Segment Reporting

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

## 19 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

Mr Parag K Shah - ( Date of Resignation : 10.12.2015 )

B. Transactions with Related Parties and outstanding balances as on 31.03.2016

(Amount in Rupees)

Description	Holding Company	Key Management Personnel	Total
<b>Transaction during the year</b>			
Taken during the year	9,284,000 (17,468,000)	5,502,920 (69,309,742)	14,786,920 (86,777,742)
Repaid during the year	- (0)	- (0)	- (0)
Interest on Loan	- (0)	- (0)	- (0)
<b>Closing Balance</b>			
Loan	341,752,000 (332,468,000)	11,000,000 (123,225,436)	352,752,000 (455,693,436)
Accrued Net Interest On Loan	62,377,202 (623,777,202)	- (0)	62,377,202 (623,777,202)

**Notes :**

- 1.) Related parties have been identified by the Management
- 2.) Figures in bracket relates to the previous year
- 3.) Closing Loan Balance of Mr Parag K Shah as at 31.03.2016, of Rs. 11,77,28,356/- is not considered as he has resigned from Directorship w.e.f. 10.12.2015

**20 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

Particulars	(Amount in Rupees)	
	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Net Loss after tax as per Statement of Profit & Loss	(247,662)	(169,004)
Weighted Number of Shares outstanding during the year	150,000	150,000
Basic & Diluted Earnings per Share	(1.65)	(1.13)
Face value per Equity Share	100	100

**21 Deferred 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.

**22 Contingent Liability :**

There is no contingent liability as on 31st March, 2016

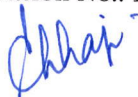
**23 Previous Year Figures:**

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 23**

In terms of our report of even date attached.

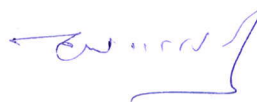
For Shaparia Mehta & Associates L L P  
Chartered Accountants  
Firm Registration No.: 112350W / W-100051



Partner  
Name: Sandeep Kumar Chhajjer  
Membership No: 160212



For ROYAL NETRA CONSTRUCTIONS  
PVT LTD



Director



Director



Place: Mumbai  
Date : 11th May, 2016