

HILL ROCK CONSTRUCTION LIMITED

11-B, Mittal Towers, Free Press Journal Marg, Nariman Point, Mumbai – 400 021.
Tel. No. 61155300

DIRECTORS' REPORT

Your Directors are pleased to present the Sixth Annual Report and the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS:

Particulars	(Rs.)	
	Year Ended 31-03-2011	Year Ended 31-03-2010
Total Income	NIL	32,917
Total Expenditure excluding Depreciation	33,247	69,261
Loss before depreciation and tax	33,247	36,344
Depreciation	82,718	82,718
Loss after depreciation and before Tax	1,15,965	1,19,062
Less: Provision for Tax	7,663	11,860
Loss after Tax	1,23,628	1,30,922

OPERATIONS:

Your Company has further received Rs. 4.59 lakhs as unsecured interest free loans from its holding Company, Jai Realty Ventures Limited.

DIVIDEND:

In view of the loss for the year, your Directors do not recommend any dividend.

DIRECTORS:

Mr. L. M. Dhanda retires by rotation and being eligible have offered himself for re-appointment. The Director who is being re appointed has intimated to your Company that he is eligible for being re appointed.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is, hereby, confirmed:

(i) that in the preparation of the accounts for the financial year ended 31st March, 2011, applicable accounting standards have been followed along with proper explanation relating to material departure;

(ii) that appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the loss of the Company for the year ended on that date;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that accounts for the financial year ended 31st March, 2011 have been prepared on a 'going concern' basis.

AUDITORS AND AUDITORS' REPORT:

Messrs Pathak H. D. & Associates, Chartered Accountants, Mumbai, hold office as statutory auditors of the Company until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting. Pursuant to the provisions of Section 224 (1B) of the Companies Act, 1956 your Company has received a certificate from Messrs Pathak H. D. & Associates, Chartered Accountants confirming their eligibility for re-appointment.

FIXED DEPOSIT:

Your Company has not accepted any fixed deposit during the year under review.

DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Nil

PARTICULARS OF EMPLOYEES:

There are no employees whose remuneration requires disclosure in terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENT:

Your Directors express their grateful appreciation for the assistance and co-operation received from the Banks, Institutions, Government Authorities and Shareholders during the year under review.

For and on behalf of the Board of Directors

Director

Date: 20/05/2011
Place: Mumbai

AUDITORS' REPORT

To the Members of Hill Rock Construction Limited

1. We have audited the attached Balance Sheet of '**HILL ROCK CONSTRUCTION LIMITED**' as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;

Contd...2

- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
- d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement referred in this report comply with the mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, 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: -
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) In the case of Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For PATHAK H.D. & ASSOCIATES
Chartered Accountants
(Firm Reg No: -107783W)

Anuj Bhatia
Partner
Membership No. 122179
Place: Mumbai
Dated: 20th May 2011

ANNEXURE TO AUDITOR'S REPORT
Referred to in paragraph 3 of our report of even date

- i. In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No discrepancies were noticed on such verification as compared to the book records.
 - (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any fixed assets during the year and hence the going concern status of the Company is not affected.

- ii. In respect of its inventories:

The Company has inventories only in relation to the development projects in progress including Land. It does not have any other inventories during the year. The management has physically verified the project under development and no discrepancies were noticed. The Company has maintained the proper records for these projects.

- iii. The Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence provisions of Clause 4 (iii) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of the Inventory. During the year, the Company did not undertake any activity of purchase of fixed assets, inventory, sale of goods & service.. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

Contd.....2

- v. According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section.
- vi. The Company has not accepted any deposits and hence provisions of the clause 4 (vi) of the Companies (Auditor's report) Order, 2003 are not applicable to the Company.
- vii. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of activities carried on by the Company, hence the provisions of the clause 4 (viii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- ix. (a). In respect of statutory dues and other dues according to the records of the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, and Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other material statutory dues as applicable with the appropriate authorities during the year. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) The disputed dues aggregating to Rs.9,55,132 that have not been deposited on account of matters pending before appropriate authorities are as under :

Name of the Statue	Name of the Dues	Amount in Rs.	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	9,55,132	A. Y. 2009-10	Commissioner of Income Tax (Appeal)

: 3 :

- x. The Company has accumulated losses as on 31st March, 2011 which is not more than fifty percent of its net worth as on that date. The Company has incurred cash loss during the current financial year and preceding financial year also.
- xi. Based on our audit procedures and on the information and explanations given by the management, the Company has not taken any borrowings from financial institutions, banks or debenture holders, hence the provisions of the clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society, hence provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. The Company has no transactions and contracts in respect of dealing and trading in shares and other securities, hence the provisions of the clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. To the best of our knowledge & belief and according to the information & explanations given to us, the Company has not taken any term loan.
- xvii. During the year the Company has not raised any short term funds.
- xviii. During the year the Company has not made any preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any Debentures during the year.
- xx. The Company has not raised any money by way of Public issue during the year.

: 4:

- xxi. 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 on or by the Company has been noticed or reported during the course of our audit

For PATHAK H.D. & ASSOCIATES
Chartered Accountants
(Firm Reg. No: -107783W)

Anuj Bhatia
Partner
Membership No. 122179
Place: Mumbai
Dated: 20th May 2011

HILL ROCK CONSTRUCTION LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

Amount in (Rs.)

Particulars	Schedule	As at	
		31.03.2011	31.03.2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	595,500	595,500
Reserve and Surplus	B	9,454,500	9,454,500
		10,050,000	10,050,000
Loan Fund			
Unsecured Loan	C	33,073,494	32,614,994
Deferred Tax Liability (Net) (Refer Note No. 4 of schedule 'J')			
		32,347	24,684
Total		43,155,841	42,689,678
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	859,347	859,347
Less: Depreciation		241,127	158,409
Net Block		618,220	700,938
Current Assets, Loans and Advances			
Inventories	E	42,129,029	41,675,923
Cash & Bank Balance		5,527	40,062
Loans and Advances		108,833	110,628
		42,243,389	41,826,613
Less: Current Liabilities & Provisions			
Current Liabilities	F	407,318	415,795
		407,318	415,795
Net Current Assets		41,836,071	41,410,818
Profit & Loss Account		701,550	577,922
Total		43,155,841	42,689,678
Significant Accounting Policies & Notes on Accounts	J		

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia
Partner
Place : Mumbai
Date: 20th May 2011

Subodh Agarwal
Director

Ananjan Datta
Director

HILL ROCK CONSTRUCTION LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Amount in (Rs.)

Particulars	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
A) INCOME			
Other Income -Sundry Balance Writtan Back		-	32,917
Variation in Inventory	G	453,106	653,397
		453,106	686,314
B) EXPENDITURE			
Land and Development Expenses	H	30,526	20,491
Administration & General Expesnes	I	455,235	700,202
Bank Charges		592	1,965
Depreciation		82,718	82,718
		569,071	805,376
Loss Before Tax		(115,965)	(119,062)
Less: Provision for Tax		-	-
- Deferred Tax		7,663	11,860
Loss After Tax		(123,628)	(130,922)
Balance as per the last Balance sheet		(577,922)	(447,000)
Balance Carried to Balance Sheet		(701,550)	(577,922)
Basic and Dilutive earning per Equity Share of Rs.10 each (Refer note number 3 of Schedule "J")		(2.47)	(2.62)
Significant Accounting Policies & Notes on Accounts	J		

As per our report of even date

For Pathak H. D. & Associates

Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia

Partner

Place : Mumbai

Date: 20th May 2011

Subodh Agarwal

Director

Ananjan Datta

Director

HILL ROCK CONSTRUCTION LIMITED

Cash Flow Statement for the year ended 31st March, 2011

	Amount in (Rs.)	
	2010-2011	2009-2010
A. Cash Flow from Operating Activities		
Net Loss before tax as per P & L Account	(115,965)	(119,062)
	(115,965)	(119,062)
Adjusted for		
Depreciation	82,718	82,718
Sundry Balance Written Back	-	(32,917)
Operating Loss before Working Capital Changes	(33,247)	(69,261)
Adjusted for		
Trade and other receivables	1,794	140,735
Inventories	(453,106)	(653,397)
Trade Payables	(8,476)	(614,851)
Cash Generated from Operation	(493,035)	(1,196,774)
Direct Taxes Paid	-	(700)
Net Cash from / (used in) Operating Activities	(493,035)	(1,197,474)
B. Cash Flow from Investing Activities		
Net Cash from / (used in) Investing Activities	-	-
C. Cash Flow from Financing Activities		
Proceeds of Long term Loans	458,500	1,278,006
Repayment of Long term Loans	-	(140,000)
Net Cash From /(used in) Financing Activities	458,500	1,138,006
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(34,535)	(59,468)
Opening Balance of Cash and Cash Equivalents	40,062	99,530
Closing Balance of Cash and Cash Equivalents	5,527	40,062

Notes :

- The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement" as notified in the Companies (Accounting Standards) Rules, 2006.
- Bracket indicates cash outflow.
- The Previous year's figures have been regrouped, rearranged, restated and reclassified wherever necessary.

As per our report of even date

For Pathak H. D. & Associates

Chartered Accountants

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

Partner

Place : Mumbai

Date: 20th May 2011

Subodh Agarwal

Director

Ananjan Datta

Director

HILL ROCK CONSTRUCTION LIMITED
SCHEDULE FORMING PART OF THE BALANCE SHEET

	Amount in (Rs.)	
	As at 31 March 2011	As at 31 March 2010
SCHEDULE "A"		
SHARE CAPITAL		
AUTHORISED		
85,000 (Previous Year 85,000) Equity shares of Rs 10 each	850,000	850,000
15,000 (Previous Year 15,000) 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of Rs.10 each	150,000	150,000
	1,000,000	1,000,000
ISSUED,SUBSCRIBED AND PAID UP		
50,000 (Previous Year 50,000) Equity Shares of Rs 10 each fully paid up Of the above Equity Shares :	500,000	500,000
9,550 (Previous Year 9,550) 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of Rs.10 each	95,500	95,500
	595,500	595,500
Notes:- (i) Above Shares are held by the Jai Realty Venture Limited, the holding Company includes 5000 equity shares held jointly with nominees (ii) 1% Optionally Convertible Non Cumulative Redeemable Preference Shares are redeemable at any time from the date of allotment i.e .31.01.2008 at the option of the Company or at the end of 20 years from the date of allotment at a premium of Rs.990 each share. (iii) 1%Optionally Convertible Non-Cumulative Redeemable Preference Share (OCPS) holders have also the option to convert each OCPS at any time prior to the redemption into One Equity Share of Rs. 10 each fully paid up. (iv) Redemption premium on preference shares as mentioned above will be paid out of the Securities Premium and hence no provision has been considered necessary.		
SCHEDULE "B"		
RESERVE AND SURPLUS		
Securities Premium	9,454,500	9,454,500
	9,454,500	9,454,500
SCHEDULE "C"		
UNSECURED LOAN		
Long Term Loan From Holding Company	33,073,494	32,614,994
	33,073,494	32,614,994
SCHEDULE "E"		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
INVENTORIES (Certified & Valued by the Management) Work In Progress*	42,129,029	41,675,923
CASH AND BANK BALANCES Balance with Scheduled Banks In Current Account	5,527	40,062
LOANS AND ADVANCES (Unsecured, Considered Good and Subject to Confirmation) Advances recoverable in cash or in kind or for value to be received Deposits Income Tax (Net)	- 102,400 6,433 108,833	1,795 102,400 6,433 110,628
	42,243,389	41,826,613
* Conveyance deed is yet to be executed		
SCHEDULE "F"		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES Sundry Creditors (Subject to confirmation) (i) Micro and Small Enterprises (ii) Others*	- 389,966 389,966	- 389,966 389,966
Other Liabilities	17,352	25,828
	407,318	415,794
* The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures as required by notification dated 16.11.2007 issued by the Ministry of Company Affairs have not been given.		

HILL ROCK CONSTRUCTION LIMITED
SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Amount in (Rs.)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE "G"		
VARIATION IN INVENTORY		
Closing inventory	42,129,029	41,675,923
Work in progress		
Opening Inventory	41,675,923	41,022,526
Work in progress		
Variation in Inventory	453,106	653,397
SCHEDULE "H"		
LAND AND DEVELOPMENTS EXPENSES		
Project Expenses	30,526	20,491
	30,526	20,491
SCHEDULE "I"		
ADMINISTRATION & GENERAL EXPENSES		
Rent	419,580	388,800
Repairs & Maintanance others	14,003	16,712
Professional and Consultancy Charges	3,000	277,023
Payment to Auditors	13,788	13,788
Filing Fees	1,114	900
Other Expenses	3,750	2,979
	455,235	700,202

HILL ROCK CONSTRUCTION LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE "J"

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A, SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under historical Cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as consistently adopted by the Company.

2 USE OF ESTIMATES

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

3 FIXED ASSETS

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any.

4 DEPRECIATION

Depreciation is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

5 INVENTORIES

Inventories comprise of cost of project activities under development (W.I.P.). Cost of inventories consists of cost of land, land development expenses, material, services, construction cost, interest and financial charges and other expenses related to project under development. In general, all inventories of land are stated at lower of cost or net realisable value. Inventories of land are taken on the Agreement to sell.

6 PRELIMINARY AND SHARE ISSUE EXPENSES

Preliminary and Share issue expenses are charged to the Profit & Loss account.

7 PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

8 PROVISION ,CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

9 EQUITY INDEX / STOCK FUTURES

- Gains are recognized only on settlements/ expiry of the derivative instruments.
- All open positions are marked and unrealized gains/loss are netted on a scrip wise basis. Mark to market gains, if any, are not recognised.
- Debit/ Credit balances on open positions are shown as other assets/ other liabilities, as the case may be.

10 EMPLOYEES' BENEFITS

- Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- Post employment benefits in the form of gratuity, which is defined benefit obligation, is recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques based on Projected unit credit method. Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.
- Compensated absences are accounted similar to the short term employee benefits.

B NOTES ON ACCOUNTS

- In the opinion of the Management, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.

2 Auditor's Remuneration

	Amount in (Rs.)	
	2010-11	2009-10
Audit Fees	13,788	13,788
	<u>13,788</u>	<u>13,788</u>

3 Basic and Diluted Earnings per Share

	2010-11	2009-10
(a) Net Loss available for equity Shareholders (Amount used as numerator)	(123,628)	(130,922)
(b) Weighted Average Number of equity shares used as denominator		

for Basic Earning Per Share 50,000 50,000

(c) Basic and dilutive Earning Per Share (2.47) (2.62)

Note:-The effects of 1% Optionally Convertible Non-Cumulative Redeemable Preference Shares on the earning per share are anti dilutive and hence, the same is ignored for the purpose of calculation of dilutive earning per share

		Amount in (Rs.)	
		As on	As on
		31.03.2011	31.03.2010
4	The deferred tax liability comprises of the following:		
(i)	Deferred Tax Liability		
	Related to fixed assets	32,951	29,863
		<u>32,951</u>	<u>29,863</u>
(ii)	Deferred Tax Assets		
	Disallowance under the Income Tax Act, 1961	604	5,179
		<u>604</u>	<u>5,179</u>
	Deferred Tax Liability	<u><u>32,347</u></u>	<u><u>24,684</u></u>

5 As per Accounting Standard 18, "Related Party Disclosures " the disclosure of transactions with the related parties as defined in the Accounting

(i) List of related parties and relationship.

(i) Holding Companies:- Jai Realty Ventures Limited
Jai Corp Limited

(ii) Transactions during the year with related parties : (Amount in Rs.)

Name of the Party		Nature of Transaction	2010-11	2009-10
1	Jai Realty Ventures Limited	(b) Unsecured loan		
		-- Opening Balance	32,614,994	31,476,988
		-- Received During the year	458,500	1,278,006
		-- Refund/Adjusted During the year	-	140,000
		-- Closing Balance	33,073,494	32,614,994

6 There is no other information which is required to be disclosed in accordance with Para 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

7 Segment Reporting

In the opinion of the Management and based on consideration of dominant source and nature of risk and returns, the Company's activities, during the year revolved around the single segment namely, "Builders and Developers". Considering the nature of Company's business and operations, there are no separate reportable segment (Business and/or Geographical) in accordance with the requirement of Accounting Standard 17-"Segment Reporting" as notified in the Companies (Accounting Standards) rules 2006.

8 Contingent Liabilities

During the previous year Income tax department has carried out search and seizure actions under section 132 of the Income Tax Act, 1961 (" Act") in the case of the Company, its employees and close associates who were closely involved in the processing of acquiring the land. As a result, during the year, the Company has received demand of Rs. 9,55,132 under section 156 of the Act. The Company has disputed the same and filed an appeal against the above order with CIT (A). The company has been advised that the above demands are not likely to be resulted into any material tax liability and hence no provision is considered necessary in respect of the above matter.

9 The Previous year's figures have been regroup, rearrange and reclassified wherever necessary.

As per our report of even date

For Pathak H. D. & Associates

Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia

Partner

Place : Mumbai

Date: 20th May 2011

Subodh Agarwal

Director

Ananjan Datta

Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration No .

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 State Code

1	1
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Balance Sheet Date

3	1	-	0	3	-	2	0	1	1
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CAPITAL RAISED DURING THE YEAR (Amount in Rs Thousands) :

Public Issue

N	I	L
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 Right Issue

N	I	L
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Bonus Issue

N	I	L
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 Private Placement

N	I	L
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POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities

4	3	5	6	3
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 Total Assets

4	3	5	6	3
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Sources of Funds

Paid-up Capital

5	9	5
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 Reserves and Surplus

9	4	5	5
---	---	---	---

Secured Loans

N	I	L
---	---	---

 Unsecured Loans

3	3	0	7	3
---	---	---	---	---

Deferred Tax Liability

3	3
---	---

Application of Funds

Net Fixed Assets

6	1	8
---	---	---

 Investments

N	I	L
---	---	---

Net Current Assets

4	1	8	3	6
---	---	---	---	---

 Misc . Expenditure

N	I	L
---	---	---

Accumulated Losses

7	0	2
---	---	---

PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Net) & Other Income

N	I	L
---	---	---

 Total Expenditure

1	1	6
---	---	---

Profit before Tax

(1	1	6)
---	---	---	---	---

 Profit after Tax

(1	2	4)
---	---	---	---	---

Earning Per Share in Rs.
(Basic & Diluted)

(2	.	4	7)
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 Dividend rate %

NIL

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per monetary terms) :

Not Applicable