

RAINBOW INFRAPROJECTS LIMITED

82, MAKER CHAMBERS III, NARIMAN POINT, MUMBAI – 400 021.

Tel. No. 22042554 / 22047164.

DIRECTORS' REPORT

Your Directors are pleased to present the second Annual Report and the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS:

Particulars	(Rs.)	
	Year Ended 31-03-2010	Year Ended 31-03-2009
Total Income	6,76,938	Nil
Total Expenditure including Depreciation	7,22,748	1,06,626
Loss before Tax	45,810	1,06,626
Less: Provision for Tax	3,689	57,180
Loss after Tax	49,499	1,63,806

OPERATIONS:

Your Company has invested Rs. 0.76 crores in real estate and infrastructure projects and has advanced an aggregate amount of Rs. 11.53 crores towards purchase of land. Your Company has received Rs. 0.12 crores 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. A. Datta retires by rotation and being eligible have offered himself for re-appointment. The Directors who are being appointed have intimated to your Company that they are eligible for being 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, 2010, 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 have 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 31st March, 2010 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, 2010 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

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

Place: Mumbai
Date: 21/05/2010

AUDITORS' REPORT

**To the Members of
Rainbow Infraprojects Limited**

1. We have audited the attached Balance Sheet of '**RAINBOW INFRAPROJECTS LIMITED**' as at 31st March, 2010, 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;

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- 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 to 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, 2010 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
 - (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
Firm Reg.No-107783W
Chartered Accountants

Anuj Bhatia
Partner
Membership No. 122179
Place: Mumbai
Dated: 21st May 2010

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 does not have any inventories, hence the provisions of the clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- 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 Inventory. During the year, the Company did not undertake any activity of purchase of fixed assets and sale of goods however expenditure has been incurred by the Company in relation to the purchase of the inventory. During the Course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

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- 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. As the Company is not listed on any stock exchange or the paid up capital and reserves as at the Commencement of the financial year did not exceed Rupees fifty lacs or average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, hence provisions of clause 4 (vii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- 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. According to the information & explanations given to us in respect of statutory and other dues:
 - a. 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.
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. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
 - c. According to the information and explanations given to us, there are no dues of sales tax, income tax, Custom duty, Wealth tax, Service tax and Excise Duty, Cess, as applicable, which have not been deposited on account of any dispute.

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- x. The Company has been registered for a period of less than five years and hence the provisions of clause 4 (x) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.
- 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.

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- 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.
- 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
Firm Reg.No-107783W
Chartered Accountants

Anuj Bhatia
Partner
Membership No. 122179
Place: Mumbai
Dated: 21st May 2010

RAINBOW INFRAPROJECTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

Amount in (Rs.)

Particulars	Schedule	As at	
		31.03.2010	31.03.2009
SOURCES OF FUNDS			
Shareholders 'Funds			
Share Capital	A	500,000	500,000
Loan Fund:	B	122,906,000	121,727,000
Unsecured Loan			
Deferred Tax Liability (Net) (Refer Note No.4 of Schedule J)		20,369	16,680
Total		123,426,369	122,243,680
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	139,825	139,825
Less: Depreciation		37,722	17,463
Net Block		102,103	122,362
Current Assets, Loans and Advances			
Inventories	D	7,685,169	8,183,034
Cash & Bank Balances		114,501	130,361
Loans & Advances		115,299,037	115,068,037
		123,098,707	123,381,432
Less: Current Liabilities & Provisions			
Current Liabilities	E	13,788	732,524
Provisions		-	717,438
		13,788	1,449,962
Net Current Assets		123,084,919	121,931,470
Profit & Loss Account		239,347	189,848
Total		123,426,369	122,243,680
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: 21.05.2010

A. Datta
 Director

L.M.Dhanda
 Director

RAINBOW INFRAPROJECTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2009

Amount in (Rs.)

Particulars	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
A) INCOME			
Other Income - Sundry Balance Written back		676,938	-
Variation in Inventory	F	(497,865)	7,575,783
		179,073	7,575,783
B) EXPENDITURE			
Land Development Expenses	G	60,390	274,730
Employees' Remuneration & Benefits	H	116,325	6,773,122
Administration & General Expenses	I	21,929	612,423
Bank Charges		5,980	4,671
Depreciation		20,259	17,463
		224,883	7,682,409
Profit /(Loss) before Tax		(45,810)	(106,626)
Less: Provision for Tax			
- Fringe Benefit Tax		-	40,500
- Deferred Tax		3,689	16,680
Profit /(Loss) after Tax		(49,499)	(163,806)
Balance as per the Last Balance Sheet		(189,848)	(21,491)
Prior Period Adjustment		-	(4,551)
Balance Carried to Balance Sheet		(239,347)	(189,848)
Basic & Diluted earning per Equity Share of Rs.10 each (Refer Note No. 3 of the Schedule " J")		(0.99)	(5.19)
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: 21.05.2010

A. Datta
 Director

L.M.Dhanda
 Director

RAINBOW INFRAPROJECTS LIMITED

Cash Flow Statement for the year ended 31st March, 2010

	2009-2010	Amount in (Rs.) 2008-2009
Cash Flow from Operating Activities		
Net Profit /(Loss) before tax as per P & L Account	(45,810)	(106,626)
Adjusted for		
Depreciation	20,259	17,463
Sundry Balance Written back	(676,938)	-
	(656,679)	17,463
Operating Profit /(Loss) before Working Capital Changes	(702,489)	(89,163)
Adjusted for		
Trade & Other Receivables	(265,000)	34,994,090
Inventories	497,865	(7,575,783)
Trade Payables	(718,736)	1,290,207
Cash Generated from Operation	(1,188,360)	28,619,351
Direct Taxes Paid	(6,500)	(43,361)
Prior Period Items	-	(4,551)
Net Cash from / (used in) Operating Activities	(1,194,860)	28,571,439
Cash Flow from Investing Activities		
Purchases of Fixed Assets	-	(139,825)
Net Cash (used in) / From Investing Activities	-	(139,825)
Cash Flow from Financing Activities		
Proceeds of Long term Loans	1,179,000	155,513,000
Repayment of Long term Loans	-	(183,986,000)
Net Cash From /(used in) Financing Activities	1,179,000	(28,473,000)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(15,860)	(41,386)
Opening Balance of Cash and Cash Equivalents	130,361	171,747
Closing Balance of Cash and Cash Equivalents	114,501	130,361

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 :21.05.2010

A. Datta
Director

L.M.Dhanda
Director

RAINBOW INFRAPROJECTS LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

Amount in (Rs.)

		As at 31.03.2010	As at 31.03.2009
SCHEDULE "A"			
SHARE CAPITAL			
AUTHORISED			
60,000 (Previous Year 60,000) Equity shares of Rs 10 each		600,000	600,000
40,000 (Previous Year 40,000) Redeemable Preference Shares of Rs.10 each		400,000	400,000
		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 (Above shares are held by Jai Realty Ventures Ltd., the holding company including 100 shares held jointly with nominees.)		500000	500,000
		500,000	500,000
SCHEDULE "B"			
UNSECURED LOAN			
Long Term Loan from Holding Company		122,906,000	121,727,000
		122,906,000	121,727,000

RAINBOW INFRAPROJECTS LIMITED
SCHEDULE "C"

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.09	Additions	Deduction/ adjustment	As at 31.03.10	As at 01.04.09	For the year	Deduction/a djustment	upto 31.03.10	AS AT 31.03.10	AS AT 31.03.09
Office Equipment	21,000	-	-	21,000	661	998	-	1,659	19,342	20,339
Computer	118,825	-	-	118,825	16,802	19,262	-	36,064	82,761	102,023
Total	139,825	-	-	139,825	17,463	20,259	-	37,722	102,103	122,362
Previous Year	-	139,825	-	139,825	-	17,463	-	17,463	122,362	-

RAINBOW INFRAPROJECTS LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

Amount in (Rs.)

		As at 31.03.2010	As at 31.03.2009
SCHEDULE "D"			
CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS			
INVENTORIES			
(As Certified & Valued by the Management)			
Work In Progress		7,685,169	8,183,034
CASH AND BANK BALANCES			
Cash on Hand			
Balance with Scheduled Banks In Current Account		114,501	130,361
LOANS AND ADVANCES			
(Unsecured and Considered Good)			
Advances towards Purchase of land/ Developments Rights	115,295,910		115,030,910
Income Tax (Net)	3,127		37,127
		115,299,037	115,068,037
		123,098,707	123,381,432
SCHEDULE "E"			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors			
(i) Micro and Small Enterprises	-		-
(i) Others	-		18,649
		-	18,649
Other Liabilities		13,788	713,875
		13,788	732,524
PROVISIONS			
Income Tax & Fringe Benefit Tax		-	40,500
Staff Benefit Schemes		-	676,938
		-	717,438

RAINBOW INFRAPROJECTS LIMITED

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

		Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE "F"			
VARIATION IN INVENTORY			
Closing inventory		7,685,169	8,183,034
Work in progress			
Opening Inventory		8,183,034	607,251
Work in progress			
Variation in Inventory		(497,865)	7,575,783
SCHEDULE "G"			
LAND DEVELOPMENTS EXPENSES			
Professional Fees		60,390	272,360
Survey Charges		-	2,370
		60,390	274,730
SCHEDULE "H"			
EMPLOYEES' REMUNERATION & BENEFITS			
Employees' Remuneration		116,325	6,058,305
Staff Welfares		-	37,879
Gratuity		-	676,938
		116,325	6,773,122
SCHEDULE "I"			
ADMINISTRATION & GENERAL EXPENSES			
Repairs & Maintenance		-	20,566
Travelling & Conveyance Exp		-	484,736
Telephone Expenses		358	28,476
Payment to Auditors		13,788	13,788
Printing & Stationery Expenes		1,562	23,869
Filling Fees		1,200	6,235
Other Expenses		5,021	34,753
		21,929	612,423

RAINBOW INFRAPROJECTS LIMITED

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

SCHEDULE "J"

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

a. 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 adopted consistently by the company.

b. 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.

c. FIXED ASSETS

Fixed Assets are stated at cost of acquisition less accumulated depreciation.

d. DEPRECIATION

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

e. PRELIMINARY AND SHARE ISSUE EXPENSES

Preliminary and Share Issue expenses are charged off to the Profit & Loss account in the year in which they are incurred.

f. 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.

g. 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.

h. 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.

i. EQUITY INDEX / STOCK FUTURES

i) Gains are recognized only on settlements/ expiry of the derivative instruments.

ii) 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.

iii) Debit/ Credit balances on open positions are shown as other assets/ other liabilities, as the case may be.

j. EMPLOYEES' BENEFITS

i) 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.

ii) 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.

iii) Compensated absences are accounted similar to the short term employee benefits.

2 NOTES ON ACCOUNTS

1 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

	2009-10	Amount in (Rs.) 2008-09
Audit Fees	13,788	13,788
	13,788	13,788

3 Basic & Diluted Earnings per Share

(a) Net Loss available for equity Shareholders (Amount used as numerator)	(49,499)	(168,357)
(b) Weighted Average Number of equity shares used as denominator for calculating EPS	50,000	32,466
(c) Basic and diluted Earning Per Share (Rs.)	(0.99)	(5.19)

4 The deferred tax Assets comprises of the following:

	As on 31.03.2010	As on 31.03.2009
(i) Deferred Tax Liability Related to fixed assets	20,987	17,607
(ii) Deferred Tax Assets Disallowance under the Income Tax Act, 1961	618	927
Deferred tax Liability/(Assets) (net)	20,369	16,680

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

(i) List of related parties and relationship.

(i) Holding Company:-

Jai Realty Ventures Limited
Jai Corp Limited

(ii) Transactions during the year with related parties :

Name of the Party	Nature of Transaction	2009-10	Amount in (Rs.) 2008-09
1 Jai Realty Ventures Limited	(a) Equity shares Issued	-	400,000
	(b) Unsecured loan		
	-- Opening Balance	121,727,000	150,600,000
	-- Received During the year	1,179,000	155,513,000
	-- Refund/Adjusted During the year	-	184,386,000
	-- Closing Balance	122,906,000	121,727,000

6 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.

7 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.

8 The company has adopted Accounting Standard 15 (Revised 2005) - Employee benefits ("AS 15") from 1st April 2008. Pursuant to adoption, the Company has determined the liability for Gratuity in accordance with revised AS 15.

The company has no obligation towards any defined contribution plan.

The disclosures of employees' benefits as defined in Accounting Standard are given below:-

Gratuity - Long Term Defined Benefit Plan :-

In accordance with revised AS-15, "Employee Benefits", the company has provided the liability on actuarial basis. As per the actuarial certificate the details of employees, benefits plan - Gratuity are:

Actuarial assumptions Particulars	2009-10	(Rs. In Lacs)
		2008-09 1994-96 (ultimate)
Mortality Table (LIC)		
Salary growth :-	-	5%
Discount rate	-	7%
Expected return on plan assets	-	0%
Amount recognised in the income statement		
Current service cost	-	59,962
Interest cost	-	-
Expected Return on Plan Assets	-	-
Net actuarial (gains)/losses recognised in the period	-	616,976
Total	-	676,938
Movement in present value of defined benefit obligation		
Particulars		
Obligation at the beginning of the year	-	-
Current service cost	-	59,962
Interest cost	-	-
Actuarial (gains)/losses on obligation	-	616,976
Benefits paid	-	-
Obligation at the end of the year	-	676,938
Movement in present value of plan assets		
Particulars		
Fair value at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contribution	-	-
Actuarial gains and losses	-	-
Benefits paid	-	-
Fair value at the end of the year	-	-
Amount recognised in the balance sheet		
Present value of obligations at the end of the year	-	-
Less: Fair value of plan assets at the end of the year	-	-
Funded status	-	-
Net liability recognised in the balance sheet	-	676,938

9 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: 21.05.2010

A. Datta
Director

L.M.Dhanda
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENEREAL BUSINESS PROFILE

Registration No .

1	7	4	5	3	8
---	---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1	-	0	3	-	2	0	1	0
---	---	---	---	---	---	---	---	---	---

CAPITAL RAISED DURING THE YEAR (Amount in Rs Thousands) :

Public Issue

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

 Right Issue

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

Bonus Issue

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

 Private Placement

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

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

Total Liabilities

1	2	3	4	4	0
---	---	---	---	---	---

 Total Assets

1	2	3	4	4	0
---	---	---	---	---	---

Sources of Funds

Paid-up Capital

5	0	0
---	---	---

 Reserves and Surplus

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

Secured Loans

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

 Unsecured Loans

1	2	2	9	0	6
---	---	---	---	---	---

Deferred Tax Liability - Net

2	0
---	---

Application of Funds

Net Fixed Assets

1	0	2
---	---	---

 Investments

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

Net Current Assets

1	2	3	0	8	5
---	---	---	---	---	---

 Misc . Expenditure

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

Accumulated Losses

		2	3	9
--	--	---	---	---

PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Net) & Other Income

6	7	7
---	---	---

 Total Expenditure

7	2	3
---	---	---

Profit before Tax

(4	6)
---	---	---	---

 Profit after Tax

(5	0)
---	---	---	---

Earning Per Share in Rs. (Basic & Diluted)

(0	.	9	9)
---	---	---	---	---	---

 Dividend rate %

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

Not Applicable