

DEV REALTY AND DEVELOPERS LIMITED

DIRECTORS' REPORT

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

FINANCIAL RESULTS:

Amount in Rs. lakh

Particulars	Year Ended 31-03-2010	Year Ended 31-03-2009
Total Income	Nil	Nil
Total Expenditure including Depreciation	4.68	0.24
Loss before Tax	4.68	0.24
Less: Provision for Tax	Nil	Nil
Loss after Tax	4.68	0.24

OPERATIONS:

During the year ended 31.03.2010, your Company has incurred a loss of Rs. 4.68 lakhs.

DIVIDEND:

In view of the loss suffered during the year, your directors do not recommend any dividend.

DIRECTORS:

Shri Gaurav Jain who retires by rotation and being eligible, has offered himself for re-appointment, has also intimated to your Company that he is eligible for being re-appointed. Mr. Venugopal Nair and Mr. Dilip Singh Soun who were appointed as an Additional Director will hold office up to the date of the Annual General Meeting. Your Company has received notices pursuant to Section 257 of the Companies Act, 1956 proposing a resolution in the ensuing Annual General Meeting for the appointment of Mr. Venugopal Nair and Mr. Dilip Singh Soun as a Director of the Company.

Mr. Rajesh Kumar Mundra and Mr. Subodh Arawal has resigned as a Director. Your Directors place on record their appreciation of the work and guidance provided by Mr. Rajesh Kumar Mundra and Mr. Subodh Agrawal during his association with the Company

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 judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs have been made 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 Messrs Pathak H.D & Associates, Chartered Accountants confirming their eligibility for re-appointment.

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

Nil

FIXED DEPOSIT:

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

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, Government Authorities and Shareholders during the period under review.

For and on behalf of the Board of Directors

Director

Date: 21.05.2010

Place: Mumbai

AUDITORS' REPORT

To the Members of Dev Realty and Developers Limited

1. We have audited the attached Balance Sheet of '**DEV REALTY AND DEVELOPERS 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;
 - 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;

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- 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
Chartered Accountants
Firm Reg. No.107783W

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:
The Company does not have any fixed assets, hence the provisions of the clause 4 (i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 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. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956: -
 - (a) According to the information and explanations given to us, the Company has not given any loan during the year, hence provisions of clause 4 (iii) (a) to clause 4 (iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - (b) The Company has a taken an unsecured loan from its holding Company. The maximum amount outstanding at any time during the year was Rs.5000 and year-end balance of such loan was Rs. Nil
 - (c) According to information and explanations given to us, the aforesaid loan was interest free loan and other terms and conditions of such loan were not prima facie prejudicial to the interest of the Company.
 - (d) The above loan was fully repaid during the year and Company was regular in payment of principal amount.
- iv. In our opinion and according to the information and explanations given to us the Company has not purchased any inventory and fixed assets and sold any goods or services during the year. Hence the provisions of clause 4 (iv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- 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.

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- vi. The Company has not accepted any deposits from the public during the year and hence the provisions of 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 except Rs. 7,500 in respect of Professional tax, as at 31st March, 2010 for a period of more than six months from the date they became payable

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- 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.
- 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.

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- 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.
- 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 : 21st May 2010

Dev Realty and Developers 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
Total		500,000	500,000
APPLICATION OF FUNDS			
Current Assets, Loans and Advances:	B		
Cash & Bank Balances		5,429	21,813
Loans & Advances		93	445,093
		5,522	466,906
Less: Current Liabilities & Provisions	C		
Current Liabilities		21,288	14,788
		21,288	14,788
Net Current Assets/(Liabilities)		(15,766)	452,118
Profit & Loss Account		515,766	47,882
Total		500,000	500,000
Significant Accounting Policies & Notes on Accounts	D		

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

Gaurav Jain
Director

Dilip Singh Soun
Director

Dev Realty and Developers Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2010

Amount in (Rs.)

Particulars	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
A) INCOME			
		-	-
B) EXPENDITURE			
Filing Fees		2,100	5,100
Payment to Auditors		13,788	13,788
Misc. Expenses		6,996	3,974
Sundry Balance write off		445,000	-
Bank Charges		-	1,173
		467,884	24,035
Profit /(Loss) Before Tax		(467,884)	(24,035)
Less: Provision for Income Tax		-	-
Profit /(Loss) After Tax		(467,884)	(24,035)
Balance as per last Balance Sheet		(47,882)	(23,847)
Balance Carried to Balance Sheet		(515,766)	(47,882)
Basic & Diluted earning per Equity Share of Rs.10 each (Refer Note No. 3 of the Schedule " D")		(9.36)	(0.74)
Significant Accounting Policies & Notes on Accounts	D		

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

Gaurav Jain
 Director

Dilip Singh Soun
 Director

Dev Realty and Developers Ltd.

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

	Amount in (Rs.)	
	2009-2010	2008-2009
A. Cash Flow from Operating Activities		
Net Profit /(Loss) before tax as per P & L Account	(467,884)	(24,035)
Adjusted for		
Sundry Balance Writtan off	445,000	
Operating Profit /(Loss) before Working Capital Changes	(22,884)	(24,035)
Adjusted for		
Trade & Other Receivables	-	-
Trade Payables	6,500	743
Cash Generated from Operation	(16,384)	(23,292)
Direct Taxes Paid	-	(2,700)
Net Cash from / (used in) Operating Activities	(16,384)	(25,992)
B. Cash Flow from Investing Activities		
Net Cash (used in) / From Investing Activities	-	-
C. Cash Flow from Financing Activities		
Proceeds of Long term Loans	5,000	-
Repayment of Long Term Loans	(5,000)	(100,000)
Net Cash From /(used in) Financing Activities	-	(100,000)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(16,384)	(125,992)
Opening Balance of Cash and Cash Equivalents	21,813	147,805
Closing Balance of Cash and Cash Equivalents	5,429	21,813

Notes :

- 1 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.
- 2 Bracket indicates cash outflow.
- 3 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

Gaurav Jain**Director****Dilip Singh Soun****Director**

Dev Realty and Developers 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			
85,000 (Previous Year 85000) Equity shares of Rs 10 each		850,000	850,000
15,000 (Previous Year 15000) 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 (Above shares are held by Jai Realty Ventures Ltd., the holding company including 5000 shares held jointly with nominees.)		500,000	500,000
		500,000	500,000
SCHEDULE "B"			
CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS			
CASH AND BANK BALANCE			
Balance with a Scheduled Bank In Current Account		5,429	21,813
LOANS & ADVANCES (Unsecured, Considered Good) Advances towards Purchase of Land Income Tax (Net)	- 93		445,000 93
		93	445,093
		5,522	21,906
SCHEDULE "C"			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
Other Liabilities		21,288	14,788
		21,288	14,788

Dev Realty and Developers Ltd.

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

SCHEDULE "D"

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A 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. PRELIMINARY AND SHARE ISSUE EXPENSES

Preliminary and share issue expenses are charged to the Profit & Loss account in the year in which they are incurred.

d. 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.

e. 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.

f. 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.

B 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
	<u>13,788</u>	<u>13,788</u>

3 Basic & Diluted Earnings per Share

(a) Net Loss available for equity Share Holder (Amount used as numerator)	(467,884)	(24,035)
(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.)	(9.36)	(0.74)

4 The deferred tax Assets comprises of the following:

	As on 31.03.2010	As on 31.03.2009
(i) <u>Deferred Tax Liability</u> Related to fixed assets	-	-
(ii) <u>Deferred Tax Assets</u> Disallowance under the Income Tax Act, 1961	618	927
	<u>618</u>	<u>927</u>

Deferred tax Assets (net)**618****927**

Note: As at 31st March 2010 the Company has net Deferred Tax Assets of Rs.618 However in absence of virtual certainty that sufficient future taxable income will be available against which such Deferred tax Assets can be realised the same has not been recognised in the books of accounts in line with Accounting Standard 22 dealing with "Accounting For Taxes on Income"

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 Companies:-

Jai Realty Ventures Limited
Jai Corp Limited

(ii) Transactions during the period with related parties :

(Amount in Rs.)

Name of the Party	Nature of Transaction	2009-10	2008-09
1 Jai Realty Ventures Limited	(a) Equity shares Issued	-	400,000
	(b) Unsecured loan		
	-- Opening Balance	-	500,000
	-- Received During the year	5,000	-
	-- Refund/Adjusted During the year	5,000	500,000
	-- Closing Balance	-	-

6 Segment Reporting

There is no separate reportable segment hence information as defined in the Accounting Standard 17 "Segment Reporting" is not given.

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 Miscellaneous expenses includes Rs.4,000/- in respect of Professional Tax of earlier year.

8 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

Gaurav Jain

Director

Dilip Singh Soun

Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENEREAL 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	0
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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

			5	2	1
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 Total Assets

			5	2	1
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Sources of Funds

Paid-up Capital

5	0	0
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 Reserves and Surplus

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

Secured Loans

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

 Unsecured Loans

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

Application of Funds

Net Fixed Assets

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

 Investments

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

Net Current Assets

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

 Misc . Expenditure

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

Accumulated Losses

5	1	6
---	---	---

PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Net) & Other Income

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

 Total Expenditure

4	6	8
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Profit before Tax

(4	6	8)
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 Profit after Tax

(4	6	8)
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Earning Per Share in Rs. (Basic & Diluted)

(9	.	3	6)
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 Dividend rate %

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

Not Applicable