

HILL ROCK CONSTRUCTION LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present the Eighth Annual Report and the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

Particulars	Amount in Rs.	
	Year Ended 31-03-2013	Year Ended 31-03-2012
Total Income	80,72,500	2,10,380
Total Expenditure including Depreciation	47,37,020	2,86,187
Profit/(Loss) before Prior period items and tax	33,35,480	(75,807)
Less: Prior period items	-	56,760
Add: Provision for tax	(5,341)	(989)
Profit/(Loss) after tax	25,15,821	(1,31,578)

OPERATIONS:

Your Company has further received Rs. 14,53,033/- as unsecured interest free loans from its holding Company, Jai Realty Ventures Limited, and has repaid an amount of Rs. 80,35,000/- towards unsecured interest free loan during the year. Your Company has earned an income of Rs. 80,72,500/- through sale of land.

DIVIDEND:

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

DIRECTORS:

Mr. Atul Pawar, who retires by rotation and being eligible, has offered himself for re-appointment.

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, 2013, 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, 2013 and of the profit of the Company for the period 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, 2013 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.

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 and other institutions, government authorities and shareholders during the period under review.

For and on behalf of the Board of Directors

Ananjan Datta
Director

Date: 29.04.2013
Place: Mumbai

HILL ROCK CONSTRUCTION LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Note	As At		As At	
		31 st March, 2013		31 st March, 2012	
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
Share Capital	2	595,500		595,500	
Reserves and Surplus	3	<u>11,137,193</u>	11,732,693	<u>8,621,372</u>	9,216,872
2 Non-current Liabilities					
Long-term Borrowings	4	26,864,639		33,446,606	
Deferred Tax Liabilities (Net)	5	<u>26,017</u>	26,890,656	<u>31,358</u>	33,477,964
3 Current Liabilities					
Trade Payables	6	389,966		389,966	
Other Current Liabilities	7	<u>82,701</u>	472,667	<u>17,609</u>	407,575
TOTAL			<u><u>39,096,016</u></u>		<u><u>43,102,411</u></u>
II ASSETS					
1 Non-current Assets					
Fixed Assets - Tangible	8	452,784		535,502	
Long-term Loans and Advances	9	<u>21,433</u>	474,217	<u>6,433</u>	541,935
2 Current Assets					
Inventories	10	38,499,974		42,445,019	
Cash and Bank Balances	11	10,586		13,812	
Short-term Loans and Advances	12	<u>111,239</u>	38,621,799	<u>101,645</u>	42,560,476
TOTAL			<u><u>39,096,016</u></u>		<u><u>43,102,411</u></u>
Significant Accounting Policies	1				
Notes on Financial Statements	2 to 21				

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

Subodh Agarwal
Director

A. Datta
Director

Place : Mumbai
Date : 29th April, 2013

HILL ROCK CONSTRUCTION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Note	Year Ended	
		31 st March, 2013	31 st March, 2012
I Revenue From Operations	13	8,072,500	210,380
II Total Revenue		8,072,500	210,380
III Expenses			
Land Development Expenses	14	73,588	7,610
Changes in Inventories of Work in Progress	15	3,945,045	(315,990)
Depreciation	8	82,718	82,718
Other Expenses	16	635,669	511,849
Total Expenses		4,737,020	286,187
IV Profit / (Loss) Before Tax (II-III)		3,335,480	(75,807)
V Tax Expense			
Current Tax		825,000	-
Deferred Tax Expenses / (Credit)		(5,341)	(989)
VI Profit / (Loss) after Tax (IV-V)		2,515,821	(74,818)
VII Prior Period Items (Net)		-	(56,760)
VIII Net Profit / (Loss) for the Year (VI+VII)		2,515,821	(131,578)
IX Earnings per Equity Share of Rs.10 each	17		
Basic (In Rs.)		50.32	(2.63)
Diluted (In Rs.)		42.25	(2.63)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 21		

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

Subodh Agarwal
Director

A. Datta
Director

Place : Mumbai

Date : 29th April, 2013

HILL ROCK CONSTRUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	3,335,480	(75,807)
Adjusted for		
Depreciation	82,718	82,718
Operating Profit before Working Capital Changes	3,418,198	6,911
Adjusted for		
Trade and other receivables	55,092	755
Inventories	3,945,045	(315,990)
Trade and Other Payables	406	257
Cash Generated (used in) / from Operation	7,418,741	(308,067)
Direct Taxes Paid	(840,000)	-
Prior Period Adjustment		(56,760)
Net Cash (used in) / from Operating Activities	6,578,741	(364,827)
B. Cash Flow from Investing Activities		
Net Cash (used in) / From Investing Activities	-	-
C. Cash Flow from Financing Activities		
Proceeds from Long term Borrowings	1,453,033	583,112
Re-payment of Long term Borrowings	(8,035,000)	(210,000)
Net Cash (used in) / From Financing Activities	(6,581,967)	373,112
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(3,226)	8,285
Opening Balance of Cash and Cash Equivalents #	13,812	5,527
Closing Balance of Cash and Cash Equivalents #	10,586	13,812

Components of Cash and Cash equivalents Refer note 11

Notes :

- 1 Figures in brackets represent cash outflow.
- 2 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.
- 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. and Associates

Chartered Accountants

For and on behalf of the Board of Directors

Anuj Bhatia

Partner

Subodh Agarwal

Director

A. Datta

Director

Place : Mumbai

Date : 29th April, 2013

HILL ROCK CONSTRUCTION LIMITED

Notes on Financial statements for the year ended 31st March, 2013

Note 1 Significant Accounting Policies

(A) Basis Of Preparation Of Financial Statements

The financial statements have been prepared as a going concern under historical cost convention, in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

(B) Use Of Estimates

The preparation of financial statements 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 revenue and expenses during the reporting period. Differences between the actual results 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 and impairment loss, if any.

(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) Inventories

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 cost or net realisable value.

(F) Preliminary And Share Issue Expenses

Preliminary and Share issue expenses are charged to the Statement of Profit and Loss.

(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

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to 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. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

(I) Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sales of land and is recognised when significant risk and rewards of ownership of the land have passed to the buyer.

HILL ROCK CONSTRUCTION LIMITED
Notes on Financial statements for the year ended 31st March, 2013
Note 2 - Share Capital

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
Authorised		
85,000 Equity Shares of Rs. 10 each (85,000)	850,000	850,000
15,000 1% Optionally Convertible Non-Cumulative, Redeemable (15,000) Preference Shares of Rs.10 each	150,000	150,000
Total	1,000,000	1,000,000
Issued, Subscribed and Paid up		
50,000 Equity Shares of Rs. 10 each fully paid up (50,000)	500,000	500,000
9,550 1% Optionally Convertible Non-Cumulative, Redeemable (9,550) Preference Shares of Rs. 10 each fully paid up	95,500	95,500
Total	595,500	595,500

Figures in bracket represent previous year figures.

2.1 (i) Reconciliation of number of Equity Shares outstanding.

Particulars	As At	
	31 st March, 2013	31 st March, 2012
Number of Shares outstanding at the beginning of the year	50,000	50,000
Number of Shares outstanding at the end of the year	50,000	50,000

Particulars	As At	
	31 st March, 2013	31 st March, 2012
Number of Shares outstanding at the beginning of the year	9,550	9,550
Number of Shares outstanding at the end of the year	9,550	9,550

2.2 (i) The Terms / Rights attached to the Equity Shares

Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by shareholders.

(ii) The Terms of conversion / redemption of Preference Shares

1% Optionally Convertible, Non - cumulative, Redeemable Preference Shares (OCPS) of Rs.10/- each fully paid-up were allotted on 31st January, 2008. The OCPS are redeemable at the option of the Company any time from the date of issue but before the end of 20 years. The holder has the option to seek conversion any time before redemption. The OCPS are redeemable at a premium of Rs.990/- per share. The preference share holders have a preferential right to non cumulative dividend of 1% per annum, carry a preferential right for repayment of capital in priority to the equity shares, on liquidation of the Company or repayment of capital. However, the preference shares carry no further or other right to participate either in the profits or assets of the Company.

- 2.3** Redemption Premium on preference shares as mentioned above will be paid out of the Securities Premium Reserve and hence no provision has been considered necessary.

2.4 Details of shares in the Company held by Holding Company

Particulars	As At	
	31 st March, 2013	31 st March, 2012
Jai Realty Ventures Limited		
Equity Shares (in Nos.) (Including Equity Shares held jointly with nominees)	50,000	50,000
1% Optionally Convertible Non-Cumulative, Redeemable Preference Shares (in Nos.)	9,550	9,550

2.5 Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As At 31 st March, 2013		As At 31 st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jai Realtv Ventures Limited.				
Equity Shares (Including Equity Shares held jointly with nominees)	50,000	100	50,000	100
1% Optionally Convertible Non-Cumulative, Redeemable Preference Shares	9,550	100	9,550	100

HILL ROCK CONSTRUCTION LIMITED
Notes on Financial statements for the year ended 31st March, 2013

Note 3 - Reserves and Surplus

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
Securities Premium Account		
As per Last Balance Sheet	9,454,500	9,454,500
Surplus - Opening Balance	(833,128)	(701,550)
Add: Profit / (Loss) for the Year	2,515,821	(131,578)
Surplus - Closing Balance	1,682,693	(833,128)
Total	11,137,193	8,621,372

Note 4 - Long - Term Borrowings

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
Unsecured Loans		
Loan from Related Party	26,864,639	33,446,606
Total	26,864,639	33,446,606

4.1 The above interest free loan from Jai Realty Ventures Limited, holding company, is repayable on or before 30th June, 2014 with an option to the company to repay earlier if sufficient funds are available with the company.

4.2 For details refer note 20

Note 5 - Deferred Tax Liabilities (Net)

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
Deferred Tax Liabilities		
Related to Fixed Assets	26,017	31,358
Deferred Tax Assets	-	-
Total	26,017	31,358

Note 6 - Trade Payables

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
Micro, Small and Medium Enterprises	-	-
Others	389,966	389,966
Total	389,966	389,966

6.1 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.

6.2 Other trade payable are Subject to Confirmation

Note 7 - Other Current Liabilities

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
Other Payables		
Statutory Dues	4,700	3,564
Other Expenses Payable	78,001	14,045
Total	82,701	17,609

HILL ROCK CONSTRUCTION LIMITED
Notes on Financial statements for the year ended 31st March, 2013

Note 9 - Long - Term Loans and Advances

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
(Unsecured, Considered Good)		
Income Tax (Net)	21,433	6,433
Total	21,433	6,433

Note 10- Inventories

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
(As certified and valued by Management)		
Work-in-Progress - Land and Development Expenses	38,499,974	42,445,019
Total	38,499,974	42,445,019

- 10.1 Refer Note No.1 (E) for mode of valuation of inventories
10.2 Conveyance Deed is yet to be executed.

Note 11 - Cash and Bank Balances

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
Cash and Cash Equivalents		
Balance with a Bank in Current Account	10,586	13,812
Total	10,586	13,812

Note 12 - Short Term Loans & Advances

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
(Unsecured, Considered Good)		
Deposit for Rent	100,000	100,000
Prepaid Expenses	1,239	1,645
Advances for Expenses	10,000	-
Total	111,239	101,645

Note 13 - Revenues from Operations

Particulars	(Amount in Rs.)	
	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Sale of Product - Land	8,072,500	210,380
Total	8,072,500	210,380

Note 14 - Land Development Expenses

Particulars	(Amount in Rs.)	
	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Project Expenses	23,588	7,610
Legal, Professional and Consutancy Expenses	50,000	-
Total	73,588	7,610

HILL ROCK CONSTRUCTION LIMITED
Notes on Financial statements for the year ended 31st March, 2013

Note 15 - Changes in Inventories of Work in Progress

Particulars	(Amount in Rs.)	
	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
At the end of the Year		
Work-in-Progress	38,499,974	42,445,019
At the beginning of the Year		
Work-in-Progress	42,445,019	42,129,029
Total	3,945,045	(315,990)

Note 16 - Other Expenses

Particulars	(Amount in Rs.)	
	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Administrative and General Expenses		
Rent	535,600	427,680
Rates and Taxes	10,306	3,112
Other Repairs	46,372	34,320
Insurance	9,271	10,366
Legal, Professional and Consultancy Charges	8,727	19,676
Other Expenses	-	250
Bank Charges	112	-
Sundry Balances Written Off (Net)	-	2,400
Payment to Auditors		
Audit Fees	14,045	14,045
Tax Audit Fees	11,236	-
Total	635,669	511,849

Note 17 - Earnings Per Equity Share

Particulars	Year Ended	
	31 st March, 2013	31 st March, 2012
Net Profit / (Loss) for the Year Attributable for Equity Shareholders for Basic and Diluted EPS (In Rs.)	2,515,821	(131,578)
Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS (in Nos.)	50,000	50,000
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted EPS (in Nos.)	59,550	59,550
Basic Earning per share (in Rs.)	50.32	(2.63)
Diluted Earning per share (in Rs.)	42.25	(2.63)
Face Value per Equity Share (in Rs.)	10.00	10.00

17.1 Reconciliation between number of shares used for calculation of Basic and Diluted Earnings per share

Particulars	Year Ended	
	31 st March, 2013	31 st March, 2012
Number of shares used for calculating Basic EPS	50,000	50,000
Add:- Potential Equity Shares (Optionally Convertible Non-Cumulative, Redeemable Preference Shares)	9,550	9,550
Number of shares used for calculating Diluted EPS	59,550	59,550

17.2 In Previous year, effect of potential equity shares was anti dilutive, hence basic and diluted EPS was same.

Note 18 - Contingent Liabilities

Particulars	(Amount in Rs.)	
	As At 31 st March, 2013	As At 31 st March, 2012
Contingent Liabilities		
Claims against the Company not acknowledged as debts		
Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)		
- Income Tax	-	955,132
Total	-	955,132

HILL ROCK CONSTRUCTION LIMITED**Notes on Financial statements for the year ended 31st March, 2013****Note 19 - 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.

Note 20 - Related Party Disclosure

Information on Related Parties Disclosures as per Accounting Standard (AS-18) - "Related Party Disclosures" are given below:

(A) List of Related Parties :

Jai Realty Ventures Limited	Holding Company
Jai Corp Limited	Ultimate Holding Company

(B) Transactions with Related Parties :

Name of the Party	Nature of Transaction	2012-13	2011-12
Jai Realty Ventures Limited	Long term Borrowings		
	-- Opening Balance	33,446,606	33,073,494
	-- Received During the year	1,453,033	583,112
	-- Refund / Adjusted During the year	8,035,000	210,000
	-- Closing Balance	26,864,639	33,446,606

Note 21

Previous year's figures have been re-grouped, reworked, reclassified and re-arranged 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

Subodh Agarwal **A. Datta**
 Director Director

Place : Mumbai
Date : 29th April, 2013