

# **RAINBOW INFRAPROJECTS LIMITED**

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

Tel. No. 22042554 / 22047164.

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## **DIRECTORS' REPORT**

Your Directors are pleased to present the Fourth Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2011.

### **FINANCIAL RESULTS:**

<b>Particulars</b>	<b>(Rs.)</b>	
	<b>Year Ended 31-03-2011</b>	<b>Year Ended 31-03-2010</b>
Total Income	NIL	6,76,938
Total Expenditure excluding Depreciation	20,980	7,02,489
Loss before depreciation and tax	20,980	25,551
Depreciation	20,259	20,259
Loss after depreciation and before Tax	41,239	45,810
Add: Adjustments for Tax	(1,723)	3,689
Loss after Tax	39,516	49,499

### **OPERATIONS:**

Your Company has received Rs. 17,000/- 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 him self 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 31<sup>st</sup> 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 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 31<sup>st</sup> 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 31<sup>st</sup> 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

Place: Mumbai  
Date: 21/05/2011

## AUDITORS' REPORT

### **To the Members of Rainbow Infrastructure Limited**

1. We have audited the attached Balance Sheet of '**RAINBOW INFRAPROJECTS LIMITED**' as at 31<sup>st</sup> 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;

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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 as 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 31<sup>st</sup> March, 2011 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> 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 31<sup>st</sup> 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: 21<sup>st</sup> 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 not granted or 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 and fixed assets. During the year, the Company did not undertake any activity of purchase of fixed assets, inventory, sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.

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- v. According to the information and explanation 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 in terms of clause (d) of sub-section (1) of Section 209 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. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding, as at 31<sup>st</sup> March, 2011, for a period of more than six months from the date they became payable

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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, 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 to us, 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.

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- 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.
- 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: 21<sup>st</sup> May, 2011



**RAINBOW INFRAPROJECTS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

**Amount in ( Rs.)**

Particulars	Schedule	As at		
			31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>				
<b>Shareholders 'Funds</b>				
Share Capital	A		500,000	500,000
<b>Loan Fund:</b>	B		122,923,000	122,906,000
Unsecured Loan				
Deferred Tax Liability (Net) (Refer Note No.4 of Schedule J)			18,646	20,369
<b>Total</b>			<b>123,441,646</b>	<b>123,426,369</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	C	139,825		139,825
Less: Depreciation		57,981		37,722
Net Block		81,844	81,844	102,103
<b>Current Assets, Loans and Advances</b>				
Inventories	D	7,685,169		7,685,169
Cash & Bank Balances		110,521		114,501
Loans & Advances		115,299,037		115,299,037
		123,094,727		123,098,707
<b>Less: Current Liabilities &amp; Provisions</b>				
Current Liabilities	E	13,788		13,788
		13,788		13,788
<b>Net Current Assets</b>			<b>123,080,939</b>	<b>123,084,919</b>
<b>Profit &amp; Loss Account</b>			<b>278,863</b>	<b>239,347</b>
<b>Total</b>			<b>123,441,646</b>	<b>123,426,369</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	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: 21st May 2011

**A. Datta**  
Director

**L.M.Dhanda**  
Director

**RAINBOW INFRAPROJECTS LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2011**

Amount in ( Rs.)

Particulars	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>A) INCOME</b>			
Other Income - Sundry Balance Written back		-	676,938
Variation in Inventory	<b>F</b>	-	(497,865)
		-	179,073
<b>B) EXPENDITURE</b>			
Land Development Expenses	<b>G</b>	-	60,390
Employees' Remuneration & Benefits	<b>H</b>	-	116,325
Administration & General Expenses	<b>I</b>	<b>18,178</b>	21,929
Bank Charges		<b>2,802</b>	5,980
Depreciation		<b>20,259</b>	20,259
		<b>41,239</b>	224,883
<b>Loss before Tax</b>		<b>(41,239)</b>	(45,810)
Less: Provision for Tax :			
Deferred Tax/(Credit)		<b>(1,723)</b>	3,689
<b>Loss after Tax</b>		<b>(39,516)</b>	(49,499)
Balance as per the Last Balance Sheet		<b>(239,347)</b>	(189,848)
<b>Balance Carried to Balance Sheet</b>		<b>(278,863)</b>	(239,347)
Basic & Diluted earning per Equity Share of Rs.10 each (Refer Note No. 3 of the Schedule " J")		(0.79)	(0.99)
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	<b>J</b>		

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: 21st May 2011

**A. Datta**  
**Director**

**L.M.Dhanda**  
**Director**

**RAINBOW INFRAPROJECTS LIMITED**

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

Amount in ( Rs.)

		As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE "A"</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
60,000 (Previous Year 60,000) Equity shares of Rs 10 each		<b>600,000</b>	600,000
40,000 (Previous Year 40,000) Redeemable Preference Shares of Rs.10 each		<b>400,000</b>	400,000
		<b>1,000,000</b>	1,000,000
<b>ISSUED,SUBSCRIBED AND PAID UP</b>			
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.)		<b>500,000</b>	500000
		<b>500,000</b>	500,000
<b>SCHEDULE "B"</b>			
<b>UNSECURED LOAN</b>			
Long Term Loan from Holding Company		<b>122,923,000</b>	122,906,000
		<b>122,923,000</b>	122,906,000
<b>SCHEDULE "D"</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>CURRENT ASSETS</b>			
<b>INVENTORIES</b> ( As Certified & Valued by the Management) Work In Progress		<b>7,685,169</b>	7,685,169
<b>CASH AND BANK BALANCES</b>			
Cash on Hand			
Balance with Scheduled Banks In Current Account		<b>110,521</b>	114,501
<b>LOANS AND ADVANCES</b> ( Unsecured, Considered Good and Subject to Confirmation) Advances towards Purchase of land/ Developments Rights Income Tax (Net)	<b>115,295,910</b> <b>3,127</b>		115,295,910 3,127
		<b>115,299,037</b>	115,299,037
		<b>123,094,727</b>	123,098,707
<b>SCHEDULE "E"</b>			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
<b>CURRENT LIABILITIES</b>			
Other Liabilities		<b>13,788</b>	13,788
		<b>13,788</b>	13,788

**RAINBOW INFRAPROJECTS LIMITED**

**SCHEDULE "C"**

**Schedule Forming Part of the Balance sheet & Profit and Loss Account**

**FIXED ASSETS**

**(Amount in Rs.)**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.10	Additions	Deduction/ adjustment	As at 31.03.11	As at 01.04.10	For the year	Deduction/a djustment	upto 31.03.11	AS AT 31.03.11	AS AT 31.03.10
Office Equipment	21,000	-	-	21,000	1,659	998	-	2,656	18,344	19,342
Computer	118,825	-	-	118,825	36,064	19,262	-	55,325	63,500	82,761
<b>Total</b>	<b>139,825</b>	<b>-</b>	<b>-</b>	<b>139,825</b>	<b>37,722</b>	<b>20,259</b>	<b>-</b>	<b>57,981</b>	<b>81,844</b>	<b>102,103</b>
Previous Year	139,825	-	-	139,825	17,463	20,259	-	37,722	102,103	-

**RAINBOW INFRAPROJECTS LIMITED**

**SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT**

Amount in ( Rs.)

		Year Ended 31.03.2011	Year Ended 31.03.2010
<b>SCHEDULE "F"</b>			
<b>VARIATION IN INVENTORY</b>			
Closing inventory			
Work in progress		<b>7,685,169</b>	7,685,169
Opening Inventory			
Work in progress		<b>7,685,169</b>	8,183,034
Variation in Inventory		-	(497,865)
<b>SCHEDULE "G"</b>			
<b>LAND DEVELOPMENTS EXPENSES</b>			
Professional Fees		-	60,390
		-	60,390
<b>SCHEDULE "H"</b>			
<b>EMPLOYEES' REMUNERATION &amp; BENEFITS</b>			
Employees' Remuneration		-	116,325
		-	116,325
<b>SCHEDULE "I"</b>			
<b>ADMINISTRATION &amp; GENERAL EXPENSES</b>			
Telephone Expenses		-	358
Payment to Auditors		<b>13,788</b>	13,788
Printing & Stationery Expenses		-	1,562
Filing Fees		<b>900</b>	1,200
Other Expenses		<b>3,490</b>	5,021
		<b>18,178</b>	21,929

**RAINBOW INFRAPROJECTS LIMITED**

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

	Amount in ( Rs.)	
	2010-2011	2009-2010
<b>A. Cash Flow from Operating Activities</b>		
Net Loss before tax as per P & L Account	(41,239)	(45,810)
Adjusted for		
Depreciation	20,259	20,259
Sundry Balance Written back	-	(676,938)
Operating Loss before Working Capital Changes	(20,980)	(702,489)
Adjusted for		
Trade & Other Receivables	-	(265,000)
Inventories	-	497,865
Trade Payables	-	(718,736)
Cash Generated from Operation	(20,980)	(1,188,360)
Direct Taxes Paid	-	(6,500)
Net Cash from / (used in) Operating Activities	<u>(20,980)</u>	<u>(1,194,860)</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets	-	-
Net Cash from/(used in) Investing Activities	<u>-</u>	<u>-</u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds of Long term Loans	17,000	1,179,000
Net Cash from /(used in) Financing Activities	<u>17,000</u>	<u>1,179,000</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(3,980)	(15,860)
Opening Balance of Cash and Cash Equivalents	114,501	130,361
Closing Balance of Cash and Cash Equivalents	110,521	114,501

**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: 21st May 2011

**A. Datta****Director****L.M.Dhanda****Director**

# 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

- 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.

###### j. 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.

##### 2 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
	<b>13,788</b>	<b>13,788</b>

###### 3 Basic & Diluted Earnings per Share

	2010-11	2009-10
(a) Net Loss available for equity Shareholders (Amount used as numerator )	(39,516)	(49,499)
(b) Weighted Average Number of equity shares used as denominator for calculating EPS	50,000	50,000
(c) Basic and diluted Earning Per Share (Rs.)	(0.79)	(0.99)

- The deferred tax Liability comprises of the following:

	Amount in ( Rs.)	
	As on	As on
	31.03.2011	31.03.2010

<b>(i) <u>Deferred Tax Liability</u></b>		
Related to fixed assets	<b>18,955</b>	20,987
	<b>18,955</b>	20,987
<b>(ii) <u>Deferred Tax Assets</u></b>		
Disallowance under the Income Tax Act, 1961	<b>309</b>	618
	<b>309</b>	618
<b>Deferred tax Liability</b>	<b>18,646</b>	20,369

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  
Ultimate Holding Company:- Jai Corp Limited

(ii) Transactions during the year with related parties :

Name of the Party	Nature of Transaction	2010-11	Amount in ( Rs.) 2009-10
1 Jai Realty Ventures Limited	(a) Unsecured loan		
	-- Opening Balance	<b>122,906,000</b>	121,727,000
	-- Received During the year	<b>17,000</b>	1,179,000
	-- Refund/Adjusted During the year	-	-
	-- Closing Balance	<b>122,923,000</b>	122,906,000

#### 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 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: 21st May 2011

**A. Datta**  
**Director**

**L.M.Dhanda**  
**Director**



Statement pursuant to Part IV of Schedule VI to the Companies Act , 1956 .

**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	1
---	---	---	---	---	---	---	---	---	---

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 DEPLOYEMENT OF FUNDS ( Amount in Rs. Thousands )

Total Liabilities 

1	2	3	4	5	5
---	---	---	---	---	---

 Total Assets 

1	2	3	4	5	5
---	---	---	---	---	---

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	2	3
---	---	---	---	---	---

Deferred Tax Liability - Net 

1	9
---	---

Application of Funds

Net Fixed Assets 

8	2
---	---

 Investments 

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

Net Current Assets 

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

 Misc . Expenditure 

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

Accumulated Losses 

		2	7	9
--	--	---	---	---

PERFORMANCE OF COMPANY (Amount in Rs. Thousand )

Turnover (Net) & Other Income 

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

 Total Expenditure 

4	1
---	---

Profit before Tax 

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

 Profit after Tax 

2
---

Earning Per Share in Rs. ( Basic & Diluted ) 

(	0	.	7	9	)
---	---	---	---	---	---

 Dividend rate % 

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

Not Applicable