

WELLDONE REAL ESTATE LTD.

82, Maker Chambers III, Nariman Point, Mumbai – 400 021.

Tel. No. 22042554 / 22047164.

DIRECTORS' REPORT

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

FINANCIAL RESULTS:

	(Rs.)	
	or the year ended 31 st March, 2010	For the year ended 31 st March, 2009
Total Income	8,385	4,259
Total expenditure including Depreciation	3,57,519	5,10,241
Loss before tax	3,49,134	5,05,982
Less : Provision for Tax	15,243	30,400
Loss after Tax	3,64,377	5,36,382

OPERATIONS:

During the period, your Company has received Rs. 0.025 Crores as unsecured interest free loans from its holding Company, Jai Realty Ventures Ltd. Your Company has invested Rs. 2.48 Crores in real estate and infrastructure projects and has advanced Rs. 0.12 Crores towards the purchase of land.

DIVIDEND:

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

DIRECTORS:

Mr. Subodh Agarwal retires by rotation and being eligible have offered himself for re-appointment. The Directors who are being re appointed have intimated to your Company that they are eligible for being re appointed.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

(i) that in the preparation of the accounts for the financial year ended 31st March, 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 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, 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

Date: 21/05/2010

Place: Mumbai

AUDITORS' REPORT

To the Members of Welldone Real Estate Limited

1. We have audited the attached Balance Sheet of '**WELLDONE REAL ESTATE 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;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement referred in this report Comply with the mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;

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- 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.107883W

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 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. 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 taken a loan from its holding company. The maximum amount outstanding at any time during the year was Rs. 2,07,75,048 and year-end balance of such loan was Rs. 2,07,75,048.
 - (c) According to information and explanations given to us, the aforesaid loan is interest free loan and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (d) The above interest free loan is not due for repayment & hence the question of overdue amount does not arise.

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- 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 sale of goods & service however expenditure has been incurred by the company in relation to the purchase of inventory. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section.
- vi. The Company has not accepted any deposits and hence provisions of the clause 4 (vi) of the Companies (Auditor's report) Order, 2003 are not applicable to the Company.
- vii. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of activities carried on by the Company, hence the provisions of the clause 4 (viii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- ix. 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.
- 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. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares and other investments and timely entries have been made therein. The investments are held by the Company in its own name.
- xv. As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. To the best of our knowledge & belief and according to the information & explanations given to us, the Company has not taken any term loan.
- xvii. During the year the Company has not raised any short term funds.
- xviii. During the year the Company has not made any preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act,1956.
- xix. The Company has not issued any Debentures during the year.
- xx. The Company has not raised any money by way of Public issue during the year.

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- 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

Welldone Real Estate Limited

BALANCE SHEET AS AT 31ST MARCH, 2010

Amount in (Rs.)

Particulars	Schedule	As at	
		31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	573,500	573,500
Reserve and Surplus	B	7,276,500	7,276,500
		7,850,000	7,850,000
Loan Fund			
Unsecured Loan	C	20,775,048	20,520,032
Deffered Tax Liabilities (Net) (Refer Note No. 4 Of Schedule 'N')			
		40,863	25,620
Total		28,665,911	28,395,652
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	1,048,799	1,048,799
Less: Depreciation		163,428	93,260
Net Block		885,371	955,539
Investment			
	E	843,201	843,201
Current Assets, Loans and Advances			
Inventories	F	24,821,258	24,823,490
Cash & Bank Balances		330,288	284,528
Loans and Advances		1,388,799	1,531,079
		26,540,345	26,639,097
Less: Current Liabilities & Provisions			
Current Liabilities	G	821,735	883,372
Provisions		-	13,165
		821,735	896,537
Net Current Assets		25,718,610	25,742,560
Profit & Loss Account			
		1,218,729	854,352
Miscellaneous Expenditure (to the extent not written off or adjusted)			
	H	-	-
Total		28,665,911	28,395,652
Significant Accounting Policies & Notes on Accounts			
	N		

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

Subodh Agarwal
 Director

Welldone Real Estate 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			
Other Income			
Profit on sale of Current Investment		-	4,059
Sundry Balance Writtan Back		8,385	-
Misc Income		-	200
Variation in Inventory	I	(2,232)	10,251,289
		6,153	10,255,548
B) EXPENDITURE			
Land and Development Expenses	J	-	9,668,820
Employee Remuneration & Benefits	K	1,525	522,337
Administration and General Expenses	L	277,019	527,539
Interest & Financial Charges	M	6,575	13,262
Depreciation		70,168	29,572
		355,287	10,761,530
Profit /(Loss) Before Tax		(349,134)	(505,982)
Less: Provision for Tax			
- Fringe Benefit Tax		-	4,780
- Deffered Tax		15,243	25,620
Profit /(Loss) After Tax		(364,377)	(536,382)
Balance as per the last Balance Sheet		(854,352)	(317,970)
Balance Carried to Balance Sheet		(1,218,729)	(854,352)
Basic and Dilutive earning per Equity Share of Rs.10 each			
		(7.29)	(18.81)
(Refer note number 3 of Schedule "N")			
Significant Accounting Policies & Notes on Accounts	N		

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

Subodh Agarwal
 Director

Welldone Real Estate Limited

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

	<u>2009-2010</u>	<u>2008-2009</u>
A. Cash Flow from Operating Activities		
Net Profit /(Loss) before tax as per P & L Account	<u>(349,134)</u>	<u>(505,982)</u>
	<u>(349,134)</u>	<u>(505,982)</u>
Adjusted for		
Depreciation	70,168	29,572
Profit on Sale of Investment	-	(4059)
Preliminary and Issue expenses written off	-	31466
Sundry Balance Written Back	<u>(8,385)</u>	<u>-</u>
	<u>61,783</u>	<u>56,979</u>
Operating Profit /Loss) before Working Capital Changes	<u>(287,351)</u>	<u>(449,003)</u>
Adjusted for		
Trade and other receivables	138,000	(1,256,025)
Inventories	2,232	(10,251,289)
Trade Payables	<u>(61,637)</u>	<u>(166,075)</u>
Cash Generated from Operation	<u>(208,756)</u>	<u>(12,122,392)</u>
Direct Taxes Paid	<u>(500)</u>	<u>(7,572)</u>
Net Cash from / (used in) Operating Activities	<u><u>(209,256)</u></u>	<u><u>(12,129,964)</u></u>
B. Cash Flow from Investing Activities		
Purchase of fixed assets	-	(32,663)
Purchase of Investment	-	(4,000,000)
Sale of Investment	-	4,004,059
Net Cash (used in) / From Investing Activities	<u><u>-</u></u>	<u><u>(28,604)</u></u>
C. Cash Flow from Financing Activities		
Proceeds from issue of preference share Capital	-	7,350,000
Redemption of preference share Capital	-	(7,350,000)
Preliminary and Issue expenses	-	(7,350)
Proceeds of Long term Loans	315,016	20,985,032
Re-payment of Long term Loans	<u>(60,000)</u>	<u>(65,000)</u>
Re-payment of Loan from Director	-	(13,600,000)
Net Cash From /(used in) Financing Activities	<u><u>255,016</u></u>	<u><u>7,312,682</u></u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	<u>45,760</u>	<u>(4,845,886)</u>
Opening Balance of Cash and Cash Equivalents	<u>284,528</u>	<u>5,130,414</u>
Closing Balance of Cash and Cash Equivalents	<u>330,288</u>	<u>284,528</u>

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

Subodh Agarwal
Director

Welldone Real Estate 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) 1% Optionally Convertible Non Cumulative 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		500,000	500,000
7,350 (Previous Year 7,350) 1% Optionally Convertible Non Cumulative Redeemable Preference Shares of Rs.10 each		73,500	73,500
		573,500	573,500
(i) Above Shares are held by the Jai Realty Venture Limited, the holding Company includes 5000 equity shares held jointly with nominees			
(ii) 1% Optionally Convertible Non Cumulative Redeemable Preference Shares are redemmmable at any time from the date of allotment i.e. 16.06.2008 at the option of the Company or at the end of 20 years from the date of allotment at a premium of Rs.990 each share.			
(iii) 1%Optionally Convertiable Non-Cumulative Redeemable Preference Share (OCPS) holders have also the option to convert each OCPS at any time prior to the redemption into One Equity Share of Rs. 10 each fully paid up.			
(iv) Redemption premium on preference shares as mentioned above will be paid out of the Securities Premium and hence no provision has been considered necessary.			
SCHEDULE "B"			
RESERVE AND SURPLUS			
Securities Premium Opening Balance		7,276,500	7,276,500
		7,276,500	7,276,500
SCHEDULE "C"			
UNSECURED LOAN			
Long Term Loan From Holding Company		20,775,048	20,520,032
		20,775,048	20,520,032

Welldone Real Estate Limited

SCHEDULE "D"

FIXED ASSETS

Amount in Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.09	Addition	Deduction/ adjustment	as at 31.03.10	UPTO 31.03.2009	For the year	upto 31.03.10	AS AT 31.03.2010	AS AT 31.03.2009
Furnitures & Fixture	780,051	-	-	780,051	65,684	49,377	115,061	664,990	714,367
Office Equipment	166,592	-	-	166,592	9,680	7,913	17,593	148,999	156,912
Computers	47,282	-	-	47,282	10,219	7,664	17,883	29,399	37,063
Vehicles	54,874	-	-	54,874	7,677	5,213	12,890	41,984	47,197
Total	1,048,799	-	-	1,048,799	93,260	70,168	163,428	885,371	955,539
PREVIOUS YEAR	1,016,136	32,663	-	1,048,799	63,688	29,572	93,260	955,539	-

Welldone Real Estate Limited
SCHEDULE FORMING PART OF THE BALANCE SHEET
SCHEDULE "E"

	QUANTITY		Face Value	Amount in (Rs.)	
	As at 31.03.2010	As at 31.03. 2009		As at 31.03.2010	As at 31.03. 2009
INVESTMENTS					
LONG TERM INVESTMENTS					
QUOTED					
IN EQUITY SHARES - FULLY PAID UP					
Mid day Multimedia Ltd.	16500	16500	10	843,201	843,201
Notes:					
1) Aggregate value of investments:-					
	As at 31.03.2010	As at 31.03.2009			
	Book Value	Market Value	Book Value	Market Value	
Quoted Investments	8,43,201	4,67,775		8,43,201	1,94,865
Note:					
In the opinion of the management, diminution in the value of Long Term Investment is temporary in nature and hence no provision has been considered necessary.					

Welldone Real Estate Limited
SCHEDULE FORMING PART OF THE BALANCE SHEET

		As at 31.03.2010	As at 31.03.2009
SCHEDULE "F"			
CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS			
INVENTORIES			
(Certified & Valued by the Management)			
Work In Progress *		24,821,258	24,823,490
CASH AND BANK BALANCE			
Cash on Hand	67,906		67,906
Balance with Scheduled Banks			
In Current Accounts	262,382		216,622
		330,288	284,528
LOANS AND ADVANCES			
(Unsecured, Considered Good and Subject to Confirmation)			
Advances recoverable in cash or in kind or for value to be received	-		28,000
Advances towards Purchase of land	1,178,025		1,178,025
Deposits	140,000		250,000
Income Tax (Net)	70,774		75,054
		1,388,799	1,531,079
		26,540,345	26,639,097
* Conveyance Deed is yet to be executed			
SCHEDULE "G"			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors			
(i) Micro and Small Enterprises	-		-
(ii) Others	806,374		806,374
Other Liabilities		806,374	806,374
		15,361	76,998
		821,735	883,372
PROVISIONS			
Income Tax & Fringe Benefit Tax		-	4,780
Staff Benefit Schemes		-	8,385
		-	13,165
		821,735	896,537
Note: Company has not received information from vendors regarding their status under the micro, small and medium enterprises Development Act, 2006, hence disclosures required by notification dated 16th Nov., 2007 issued by Company Affairs have not been given.			

Welldone Real Estate Limited
PROFIT & LOSS ACCOUNT

	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE "H"		
MISCELLANEOUS EXPENDITURE		
(To the extent note written-off or adjusted)		
Preliminary and Share Issue Expenses	-	24,116
Less : Written-off during the year	-	24,116
	-	-
SCHEDULE "I"		
VARIATION IN INVENTORY		
Closing inventory	24,821,258	24,823,490
Work in progress		
Opening Inventory	24,823,490	14,572,201
Work in progress		
Variation in Inventory	(2,232)	10,251,289
SCHEDULE "J"		
LAND AND DEVELOPMENT EXPENSES		
Cost of the Land	-	9,563,945
Survey Charges	-	3,000
Legal & Professional Fees	-	101,875
	-	9,668,820
SCHEDULE "K"		
EMPLOYEE REMUNERATION & BENEFITS		
Salary, Wages & Perquisites	-	496,575
Staff Welfare	1,525	17,377
Gratuity		8,385
	1,525	522,337
SCHEDULE "L"		
ADMINISTRATION AND GENERAL EXPENSES		
Rent	242,276	315,535
Rates & Taxes	-	11,602
Travelling & Conveyance Expenses	207	20,515
Electricity Expenses	6,410	29,160
Telephone Expenses	2,422	32,417
Printing & Stationery	-	11,767
Brokerage & Commission	-	13,700
Payment to Auditors	13,788	13,788
Filing Fees	600	5,868
Preliminary & Share Issue Expenses	-	31,466
Other Expenses	11,316	41,721
	277,019	527,539
SCHEDULE "M"		
INTEREST AND FINANCE CHARGES		
Bank Interest	-	10,718
Bank Charges	6,575	2,544
	6,575	13,262

Welldone Real Estate Limited

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

SCHEDULE "N"

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A, SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2 USE OF ESTIMATES

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

3 FIXED ASSETS

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

4 DEPRECIATION

Depreciation has been provided on Straight line method as the rates and manner prescribed under Schedule XIV to the Companies Act, 1956

5 INVENTORIES

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

6 INVESTMENTS

Current Investments are carried at lower of cost and market value/NAV, computed individually. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary in the opinion of the management.

7 PRELIMINARY AND SHARE ISSUE EXPENSES

Preliminary & Share Issue expenses are charged to Profit & Loss Account

8 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.

9 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.

10 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.

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

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

3 Basic and Diluted Earnings per Share

(a) Net Loss available for equity Shareholders (Amount used as numerator)	(364,377)	(536,382)
(b) Weighted Average Number of equity shares		

used as denominator for Basic Earning Per Share	50,000	28,521
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(c) Basic Earning Per Share	(7.29)	(18.81)
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Note:-The effects of 1% Optionally Convertible Non-Cumulative Redeemable Preference Shares on the earning per share are anti dilutive and hence, the same is ignored for the purpose of calculation of dilutive earning per share

4 The deferred tax liability \ (assets) comprises of the following:

	As on 31.03.2010	As on 31.03.2009
(i) Deferred Tax Liability		
Related to fixed assets	40,863	31,395
	40,863	31,395
(ii) Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	-	5,775
	-	5,775
Deferred tax Liabilities /(Assets) (net)	40,863	25,620

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
(ii) Key Managerial Person	Shri Gaurav Jain

(ii) Transactions during the year with related parties :

Name of the Party	Nature of Transaction	2009-10	2008-09
1 Jai Realty Ventures Limited	(a) Equity shares Issued	-	400,000
	(b) Preference Share issued Including Premium	-	7,350,000
	(c) Unsecured loan		
	-- Opening Balance	20,520,032	-
	-- Received During the year	315,016	20,985,032
	-- Refund/Adjusted During the year	60,000	465,000
	-- Closing Balance	20,775,048	20,520,032
2 Shri Gaurav Jain	(a) Unsecured loan		
	-- Opening Balance	-	13,600,000
	-- Received During the year	-	-
	-- Refund/Adjusted During the year	-	13,600,000

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

7 Segment Reporting

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

8 The company has adopted Accounting Standard 15 (Revised 2005) - Employee benefits ("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:

Particulars	Gratuity (Unfunded)	
	(Rs. In Lacs)	(Rs. In Lacs)
Actuarial assumptions		

Particulars	2009-10	2008-09
Mortality Table (LIC)		1994-96 (ultimate)
Salary growth :-	-	5%
Discount rate	-	8%
Expected return on plan assets	-	0%
Amount recognised in the income statement		
Current service cost	-	5,516
Interest cost	-	-
Expected Return on Plan Assets	-	-
Net actuarial (gains)/losses recognised in the period	-	2,869
Total	-	8,385
Movement in present value of defined benefit obligation		
Particulars		
Obligation at the beginning of the year	-	-
Current service cost	-	5,516
Interest cost	-	-
Actuarial (gains)/losses on obligation	-	2,869
Benefits paid	-	-
Obligation at the end of the year	-	8,385
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	-	8,385
Less: Fair value of plan assets at the end of the year	-	-
Funded status	-	8,385
Net liability recognised in the balance sheet	-	8,385

9 The Previous year's figures have been regrouped, rearranged 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

Subodh Agarwal
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	5	9	9	1	8
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 State Code

1	1
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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 DEPLOYEMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities

2	9	4	8	8
---	---	---	---	---

 Total Assets

2	9	4	8	8
---	---	---	---	---

Sources of Funds

Paid-up Capital

5	7	4
---	---	---

 Reserves and Surplus

7	2	7	6
---	---	---	---

Secured Loans

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

 Unsecured Loans

2	0	7	7	5
---	---	---	---	---

Deferred Tax Liability (Net)

4	1
---	---

Application of Funds

Net Fixed Assets

8	8	5
---	---	---

 Investments

8	4	3
---	---	---

Net Current Assets

2	5	7	1	9
---	---	---	---	---

 Misc . Expenditure

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

Accumulated Losses

1	2	1	9
---	---	---	---

PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Net) & Other Income

8

 Total Expenditure

		3	5	7
--	--	---	---	---

Profit before Tax

(3	4	9)
---	---	---	---	---

 Profit after Tax

(3	6	4)
---	---	---	---	---

Earning Per Share in Rs. (Basic & Diluted)

(7	.	2	9)
---	---	---	---	---	---

 Dividend rate %

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

Not Applicable