

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 Sixth Annual Report and the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS:

(Rs.)

	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Total Income	Nil	8,385
Expenditure excluding Depreciation	56,442	2,87,351
Loss on sale of Investments and Fixed Assets	2,40,032	Nil
Loss before depreciation and tax	2,96,474	2,78,966
Depreciation	67,193	70,168
Loss after depreciation and before Tax	3,63,667	3,49,134
Add: Adjustments for Tax	(3,511)	15,243
Loss After Tax	3,60,156	3,64,377

OPERATIONS:

During the year under review your Company has repaid unsecured interest free loans amounting to Rs. 4,01,754/- to 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. Venugopalan Nair retires by rotation and being eligible have offered himself for re-appointment. The Directors 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 31st 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 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, 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 31st 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.

PARTICULARS OF EMPLOYEES:

During the year under report, the Company had not employed any employee whose particulars are required to be disclosed in this report pursuant to section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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: 23/05/2011

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, 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;
 - 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, 2011 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st 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 31st 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 Registration No.107883W)

Anuj Bhatia
Partner
Membership No.122179
Place : Mumbai
Dated : 23rd 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 substantial part of 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, 09,13,294 and year-end balance of such loan was Rs. 2, 03,73,294.
 - (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 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.
- 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 in respect 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 31st March, 2011, for a period of more than six months from the date they became payable

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.

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(b) The disputed dues aggregating to Rs. 28,47,679 that have not been deposited on account of matters pending before appropriate authorities are as under :

Name of the Statue	Name of the Dues	Amount in Rs.	Period	Forum where dispute is pending
Income Tax Act, 1961`	Income Tax	28,47,679*	A.Y. 2007-08 to A. Y. 2009-10	Commissioner of Income tax (Appeal)

(*) Net of amount Rs. 4,00,000 deposited under protest.

- x. The Company has accumulated losses as on at the end of the financial year, which is not more than fifty percent of its net worth. The Company incurred cash losses during the current financial year and immediately preceding financial year.
- 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 were 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.

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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 Registration No.107783W)

Anuj Bhatia
Partner
Membership No. 122179
Place : Mumbai
Dated : 23rd May 2011

Welldone Real Estate Limited
BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	Schedule	Amount in (Rs.)	
		As at 31.03.2011	As at 31.03.2010
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	C		
Unsecured Loan		20,373,294	20,775,048
Deffered Tax Liabilities (Net) (Refer Note No. 4 Of Schedule 'L')		37,352	40,863
Total		28,260,646	28,665,911
APPLICATION OF FUNDS			
Fixed Assets	D		
Gross Block		986,197	1,048,799
Less: Depreciation		221,218	163,428
Net Block		764,979	885,371
Investment	E	-	843,201
Current Assets, Loans and Advances	F		
Inventories		24,821,258	24,821,258
Cash & Bank Balances		266,887	330,288
Loans and Advances		1,648,799	1,388,799
		26,736,944	26,540,345
Less: Current Liabilities & Provisions	G		
Current Liabilities		820,162	821,735
Provisions		-	-
		820,162	821,735
Net Current Assets		25,916,782	25,718,610
Profit & Loss Account		1,578,885	1,218,729
Total		28,260,646	28,665,911
Significant Accounting Policies & Notes on Accounts	L		

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

Gaurav Jain
Director

Subodh Agarwal
Director

Welldone Real Estate 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
A) INCOME			
Other Income			
Sundry Balance Writtan Back		-	8,385
Variation in Inventory	H	-	(2,232)
		-	6,153
B) EXPENDITURE			
Loss on sale of Long Term Investments		211,833	-
Loss on sale of Fixed Assets		28,199	-
Employee Remuneration & Benefits	I	-	1,525
Administration and General Expenses	J	54,233	277,019
Interest & Financial Charges	K	2,209	6,575
Depreciation		67,193	70,168
		363,667	355,287
Loss Before Tax		(363,667)	(349,134)
Less: Provision for Tax :			
Deffered Tax		(3,511)	15,243
Loss After Tax		(360,156)	(364,377)
Balance as per the last Balance Sheet		(1,218,729)	(854,352)
Balance Carried to Balance Sheet		(1,578,885)	(1,218,729)
Basic and Dilutive earning per Equity Share of Rs.10 each		(7.20)	(7.29)
(Refer note number 3 of Schedule "L")			
Significant Accounting Policies & Notes on Accounts	L		

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: 23rd May 2011

Gaurav Jain
Director

Subodh Agarwal
Director

Welldone Real Estate Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET

Amount in (Rs.)

	As at 31.03.2011	As at 31.03.2010
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 Convertible 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	7,276,500	7,276,500
	7,276,500	7,276,500
SCHEDULE "C"		
UNSECURED LOAN		
Long Term Loan From Holding Company	20,373,294	20,775,048
	20,373,294	20,775,048

Welldone Real Estate Limited
SCHEDULE FORMING PART OF THE BALANCE SHEET
SCHEDULE "D"
FIXED ASSETS

Amount in Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.10	Addition	Deduction/ Adjustment	As at 31.03.11	UPTO 31.03.2010	For the year	Deduction/ adjustment	upto 31.03.11	AS AT 31.03.2011	AS AT 31.03.2010
Furnitures & Fixture	780,051	-	46,995	733,056	115,061	46,402	7,585	153,879	579,177	664,990
Office Equipment	166,592	-	15,607	150,985	17,593	7,913	1,818	23,688	127,297	148,999
Computers	47,282	-	-	47,282	17,883	7,664	-	25,548	21,734	29,399
Vehicles	54,874	-	-	54,874	12,890	5,213	-	18,103	36,771	41,984
Total	1,048,799	-	62,602	986,197	163,428	67,193	9,403	221,218	764,979	885,371
PREVIOUS YEAR	1,016,136	-	-	1,048,799	63,688	29,572	-	163,428	885,371	-

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

	QUANTITY		Face Value	Amount in (Rs.)	
	As at 31.03.2011	As at 31.03.2010		As at 31.03.2011	As at 31.03.2010
INVESTMENTS					
LONG TERM INVESTMENTS					
QUOTED					
IN EQUITY SHARES - FULLY PAID UP					
Mid day Multimedia Ltd.	-	16500	10	-	843,201
Notes:					
1) Aggregate value of investments:-					
	As at 31.03.2011			As at 31.03.2010	
	Book Value	Market Value		Book Value	Market Value
Quoted Investments	-	-		8,43,201	4,67,775
Movements during the year					
Purchased and Sold					
In Equity Shares					
Jagran Prakashan Limited					
Face value(Rs.)	Nos.			Cost (Rs.)	
2	4714			-	
As per the scheme of arrangement as approved by the Honable High court, Mumbai and Allahabad between Midday Multimedia Limited and Jagran Prakashan Limited, the Company has allotted 2 equity shares of Rs. 2/- each of Jagran Prakashan Ltd of every 7 equity shares of Rs.10/- each held in Mid day Multimedia Ltd.					

Welldone Real Estate Limited
SCHEDULE FORMING PART OF THE BALANCE SHEET

		As at 31.03.2011	As at 31.03.2010
SCHEDULE "F"			
CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS			
INVENTORIES			
(Certified & Valued by the Management)			
Work In Progress *		24,821,258	24,821,258
CASH AND BANK BALANCE			
Cash on Hand	-		67,906
Balance with Scheduled Banks In Current Accounts	266,887		262,382
		266,887	330,288
LOANS AND ADVANCES			
(Unsecured, Considered Good and Subject to Confirmation)			
Advances towards Purchase of land	1,178,025		1,178,025
Deposits	-		140,000
Income Tax (Net)	470,774		70,774
		1,648,799	1,388,799
		26,736,944	26,540,345
* 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
		806,374	806,374
Other Liabilities		13,788	15,361
		820,162	821,735
		820,162	821,735
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
SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE "H"			
VARIATION IN INVENTORY			
Closing inventory		24,821,258	24,821,258
Work in progress			
Opening Inventory		24,821,258	24,823,490
Work in progress			
Variation in Inventory		-	(2,232)
SCHEDULE "I"			
EMPLOYEE REMUNERATION & BENEFITS			
Staff Welfare		-	1,525
		-	1,525
SCHEDULE "J"			
ADMINISTRATION AND GENERAL EXPENSES			
Rent		17,303	242,276
Travelling & Conveyance Expenses		-	207
Electricity Expenses		-	6,410
Telephone Expenses		-	2,422
Payment to Auditors		13,788	13,788
Filing Fees		960	600
Other Expenses		22,182	11,316
		54,233	277,019
SCHEDULE "K"			
INTEREST AND FINANCE CHARGES			
Interest Paid		100	-
Bank Charges		2,109	6,575
		2,209	6,575

(Amount in Rs.)

Welldone Real Estate Limited

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

	2010-2011	2009-2010
A. Cash Flow from Operating Activities		
Net Loss before tax as per P & L Account	(363,667)	(349,134)
Adjusted for		
Depreciation	67,193	70,168
Loss on Sale of Long Term Investments	211,833	-
Loss on sale of Fixed assets	28,199	-
Sundry Balance Written Back	-	(8,385)
	307,225	61,783
Operating Loss before Working Capital Changes	(56,442)	(287,351)
Adjusted for		
Trade and other receivables	140,000	138,000
Inventories	-	2,232
Trade Payables	(1,573)	(61,637)
Cash Generated from Operation	81,985	(208,756)
Direct Taxes Paid	(400,000)	(500)
Net Cash from / (used in) Operating Activities	(318,015)	(209,256)
B. Cash Flow from Investing Activities		
Sale of fixed assets	25,000	-
Sale of Investment	631,368	-
Net Cash (used in) / From Investing Activities	656,368	-
C. Cash Flow from Financing Activities		
Proceeds of Long term Loans	423,246	315,016
Re-payment of Long term Loans	(825,000)	(60,000)
Net Cash From /(used in) Financing Activities	(401,754)	255,016
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(63,401)	45,760
Opening Balance of Cash and Cash Equivalents	330,288	284,528
Closing Balance of Cash and Cash Equivalents	266,887	330,288

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: 23rd May 2011

Gaurav Jain
Director

Subodh Agarwal
Director

Welldone Real Estate Limited

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

SCHEDULE "L"

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

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

	2010-11	Amount in (Rs.) 2009-10
Audit Fees	<u>13,788</u>	13,788
	<u>13,788</u>	<u>13,788</u>

3 Basic and Diluted Earnings per Share

	2010-11	2009-10
(a) Net Loss available for equity Shareholders (Amount used as numerator)	(360,156)	(364,377)
(b) Weighted Average Number of equity shares used as denominator for Basic Earning Per Share	50,000	50,000

(c) Basic Earning Per Share (7.20) (7.29)

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 \ (assests) comprises of the following:

	As on 31.03.2011	As on 31.03.2010
(i) Deferred Tax Liability Related to fixed assets	37,352	40,863
(ii) Deferred Tax Assets Disallowance under the Income Tax Act, 1961	-	-
Deferred tax Liabilities /(Assets) (net)	37,352	40,863

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) Transactions during the year with related parties :

Name of the Party	Nature of Transaction	2010-11	2009-10
1 Jai Realty Ventures Limited	(a) Unsecured loan		
	-- Opening Balance	20,775,048	20,520,032
	-- Received During the year	423,246	315,016
	-- Refund/Adjusted During the year	825,000	60,000
	-- Closing Balance	20,373,294	20,775,048

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 Contingent Liabilities

During the previous year Income tax department has carried out search and seizure actions under section 132 of the Income Tax Act, 1961 (" Act") in the case of the Company, its employees and close associates who were closely involved in the processing of acquiring the land. As a result, during the year, the Company has received demand of Rs. 32,47,679 under section 156 of the Act. The Company has disputed the same and paid Rs. 4,00,000 under protest and filed an appeal against the above order with CIT (A). The company has been advised that the above demands are not likely to be resulted into any material tax liability and hence no provision is considered necessary in respect of the above matter.

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: 23rd May 2011

Gaurav Jain

Director

Subodh Agarwal

Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENEREAL BUSINESS PROFILE

Registration No .

1	5	9	9	1	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 DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities

2	9	0	8	1
---	---	---	---	---

 Total Assets

2	9	0	8	1
---	---	---	---	---

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	3	7	3
---	---	---	---	---

Deferred Tax Liability (Net)

3	8
---	---

Application of Funds

Net Fixed Assets

7	6	5
---	---	---

 Investments

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

Net Current Assets

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

 Misc . Expenditure

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

Accumulated Losses

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

PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Net) & Other Income

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

 Total Expenditure

3	6	4
---	---	---

Profit before Tax

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

 Profit after Tax

(3	6	0)
---	---	---	---	---

Earning Per Share in Rs.
(Basic & Diluted)

(7	.	2	0)
---	---	---	---	---	---

 Dividend rate %

NIL

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

Not Applicable