

# TOUCH THE SKY

Annual Report  
2008 - 2009

Shrikrishna  
DEVCON LIMITED

**BOARD OF DIRECTORS**

Mr. Sunil Jain	Managing Director
Mr. Mukesh Jain	Whole Time Director
Mr. Naveen Jain	Whole Time Director
Mr. A. K. Sethi	Independent Director
Mr. Dinesh Joshi	Independent Director
Mr. P. D. Bairagi	Independent Director
Mr. Manish Bansal	Independent Director

**AUDIT COMMITTEE**

Mr. P. D. Bairagi	Chairman
Mr. Dinesh Joshi	
Mr. Mukesh Jain	

**REMUNERATION COMMITTEE**

Mr. P. D. Bairagi	Chairman
Mr. Dinesh Joshi	
Mr. A. K. Sethi	

**SHAREHOLDERS / INVESTORS  
GRIEVANCE COMMITTEE**

Mr. P. D. Bairagi	Chairman
Mr. Dinesh Joshi	
Mr. Sunil Jain	

**FINANCE COMMITTEE**

Mr. Sunil Jain	Chairman
Mr. Mukesh Jain	
Mr. Naveen Jain	

**BANKERS**

Vijaya Bank  
Dena Bank  
Canara Bank

**AUDITORS**

M/s. Khandelwal & Khandelwal Associates  
Chartered Accountants  
A-302, Clifton, Raviraj Oberai Complex  
New Link Road, Andheri (West)  
Mumbai - 400 058

**SHARE TRANSFER AGENTS**

Sharex Dynamic (India) Private Limited  
Unit - 1, Luthra Ind. Premises  
M. Vasanji Marg, Andheri-Kurla Road  
Safed Pool, Andheri (East)  
Mumbai - 400 072

**REGISTERED OFFICE**

414, 4th Floor, Crystal Paradise The Mall  
Off Veera Desai Road, Andheri (West)  
Mumbai - 400 053

**REGIONAL OFFICE**

M-1-2, Starlit Tower  
29, Y. N. Road  
Indore - 452 001



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Annual General Meeting on Saturday, 26<sup>th</sup> September, 2009 at the Registered office of the Company at 11:30 A.M. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.



## "Our Vision"

Many ask us what business are we in. Most think we are in the business of real estate. The business of 'building'. They are right and wrong too. They are right because we do build some of the most sought after residences and commercial, but that's not all what we do.

We think we are in a business to bring smiles. Smiles on the face of thousands of families that find peace and solace in the way we build homes for them, not houses. Smiles from every single corporate for whom we build intelligent office spaces so that they can concentrate on just one thing, business.

Smiles on the face of our employees who work with us, not for us. Smiles for all the contractors, architects, interior designers and masons who sweat with us, always. Smiles on the face of the thousands of shareholders who have entrusted us to grow their wealth.

We do not measure our success through the number of stakeholders we satisfy or delight. We measure success through the happiness index. The smiles that we build through opportunity, trust, strength and growth.

"To create a Company, that in turn delivers value to its customers, shareholders & the society, developing quality assets across the country."

## Notice

### *Dear Shareholders*

Your Directors  
have pleasure in  
presenting the  
15<sup>th</sup> Annual Report  
along with  
Audited Accounts  
of the Company  
for the year ended  
31<sup>st</sup> March, 2009.

**NOTICE** is hereby given that the Fifteenth Annual General Meeting of the members of SHRI KRISHNA DEVCON LIMITED will be held on Saturday, the 26<sup>th</sup> day of September, 2009 at 11.30 A.M. at the Registered office of the Company at 414, 4<sup>th</sup> Floor, Crystal Paradise The Mall, Off Veera Desai Road, Andheri (W), Mumbai 400 053 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31st March 2009 and Profit and Loss Account for the year ended together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in Place of Mr. A. K. Sethi, who retires by rotation and being eligible, offers himself for re-appointment.

**"RESOLVED THAT** pursuant to section 255 and 256 of the Companies Act, 1956 and as per the provisions of the Articles of Association of the Company applicable, if any, the company be and is hereby authorized to re-appoint Mr. A. K. Sethi as the Independent Director of the Company liable to retire by rotation.

3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

**"RESOLVED THAT** M/s. Khandelwal & Khandelwal Associates, Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as will be fixed by the Board of Directors."

#### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to section 293(1)(d) and other applicable provisions of the Companies Act, 1956, consent of the shareholders of the

Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum(s) of money(s) on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business), may exceed for the time being the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money(s) so borrowed by the Board shall not, at any time, exceed the limit of Rupees 100.00 Crores.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do and perform all such acts, deeds and things (including delegation of this power) as may be necessary, desirable or expedient to give effect to this resolution."

By order of the Board of Directors

**Sunil Jain**  
Managing Director

Place : Mumbai

Date : 28.08.2009

#### REGISTERED OFFICE

414, 4th Floor,  
Crystal Paradise The Mall,  
Off Veera Desai Road,  
Andheri (W), Mumbai-400 053.

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorized representatives to attend the

Meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. The Company is registered with National Securities Depository Ltd. ('NSDL') and Central Depository Securities (India) Limited ('CDSL'), for dematerialization of its Equity Shares and Company's ISIN is INE997101012 and Sharex Dynamic (India) Private Limited is the Registrar and Share transfer Agents of the Company.
6. The register of Members and the share transfer books of the Company shall remain closed from 21<sup>st</sup> September, 2009 to 26<sup>th</sup> September, 2009 (both days inclusive) for the purpose of the Annual general Meeting.
7. Members are requested to:
  - Notify any change in their address;
  - Communicate on all matters pertaining to their shareholdings with the Company's Registered Office, quoting their respective Ledger Folio Numbers, Client ID and DP ID;
  - Note that as per provisions of the Companies Act, 1956, facility for making nominations is available to INDIVIDUALS holding shares in the Company. The Nomination form-2B prescribed by the Government can be obtained from the Share Transfers Agent or may be down loaded from the website of the Ministry of Company Affairs; ([www.mca.gov.in](http://www.mca.gov.in)).
  - Bring their respective Ledger Folio Numbers, Client ID and DP ID for easy identification of attendance at the Annual General Meeting.

8. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, except Saturday between 11.00 a.m. to 1.00 p.m.
9. Members who are holding shares in identical order on names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes thereon.
10. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
11. Non-Resident Indian Members are requested to inform the Company's Registrar and Transfer Agents, Sharex Dynamic (India) Private Limited, immediately of :
  - a) Change in their Residential status on return to India for permanent settlement.
  - b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### Item no. 4

Looking into requirements of the business activities proposed to be carried by the Company, it may require additional funds. Hence, the Board of Directors of the Company should be authorized to borrow moneys from time to time, from Banks, Financial Institutions and any other source. The moneys to be borrowed by the Company may exceed the aggregate of paid-up capital and its free reserves, provided however, the total amount of such borrowings shall not exceed the sum of Rs. 100.00 Crores at any time. This authority can only be exercised by the Board in accordance with the provisions of section 293(1)(d) of the Companies Act, 1956.

Hence, this resolution is proposed as an ordinary resolution for approval of the members.

None of the directors is concerned or interested in the resolution.

By order of the Board of Directors

**Sunil Jain**  
Managing Director

Place : Mumbai  
Date : 28.08.2009

## INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

Brief details in respect of the Directors seeking re - appointment at the Annual General Meeting:

Names of Directors	Mr. A. K. Sethi
Date of Birth	16.10.1960
Date of Appointment	01.09.2007
Qualifications	B. Com., L.L.B
Expertise in functional area	Legal (Sr. Advocate)
Other Directorship	Nil
Other Committee Memberships	Nil
Shareholding	Nil

## Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Fourteenth Annual Report for the year ended 31st March 2009.

### Financial results:

(Rs. In Lacs)

Particulars	For the Year ended 31.03.2009	For the Year ended 31.03.2008
Total Income	38.19	206.89
Total Expenditure	34.92	89.68
Profit (Loss) Before Taxation	3.27	117.21
Less: Provision for Taxation	1.60	35.65
Profit/(Loss) After Taxation	1.67	81.56
Balance brought forward from previous year	(67.52)	(149.08)
Balance carried to Balance Sheet	(65.85)	(67.52)

### Performance:

During the year under review, the Company recorded a turnover of Rs. 38.19 Lacs as compared to Rs. 206.89 Lacs recorded during the previous year. The Company recorded a net profit after tax of Rs. 1.67 Lacs as compared to profit of Rs. 81.56 Lacs during the previous year.

### Dividend:

In order to further strengthen the Company to expand its business activities and to conserve the financial resources, your Directors regret for their inability to recommend any dividend for the financial year 2008-09.

### Segment Performance:

At present Company is engaged in the business of real estate development and there is no separate reportable segment.

### Listing:

As on date all the 73,00,400 Equity Shares of the company are listed on the Bombay Stock Exchange Limited (BSE). The Listing fees payable to the Bombay Stock Exchange Limited (BSE) for the year 2009-10 have been paid.

### Depository:

Equity shares of the company are traded in D'mate form as well as in physical form. For dematerialization of shares Company has connectivity with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

### Fixed Deposits:

Your company has not accepted any deposits from public during the year under review and as such, no amount of principle or interest was outstanding as on the balance sheet date.

### Management Discussion and Analysis and Corporate Governance Report:

As required by the Listing Agreement with the stock exchanges, a separate section containing Management Discussion and Analysis and Corporate Governance Report, as approved by the Board of Directors, together with a certificate from the company's auditors confirming the compliance with the requirements of Corporate Governance policies is set out in the annexure forming part of this annual report.

### Directors:

Mr. A. K. Sethi retires by rotation in accordance with the provisions of Articles of Association of the Company and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Necessary resolution relating to Director who is seeking re-appointment is included in the Notice of Annual General Meeting. The Board of Directors recommends the re-appointment of Mr. A. K. Sethi.

In compliance with Clause 49 IV (G) of the Listing Agreement, brief resume, expertise and other details of Director proposed to be re-appointed are attached along with the Notice to the ensuing Annual General Meeting.

### Auditors:

M/s. Khandelwal & Khandelwal Associates, Chartered Accountants, Statutory Auditors of the company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.



The Company has received letter from them to the effect that their re-appointment, if made would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

### Auditor's Report:

Observations made in the Auditor's Report are self-explanatory and therefore do not call for further comments under Section 217(3) of the Companies Act, 1956.

### Directors' Responsibility Statement:

The Board of Directors of your company state:

- i. That in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii. That the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit/loss of the Company for that period;
- iii. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. That the directors had prepared the annual accounts on going concern basis.

### Particulars of Employees:

There is no employee whose particulars are required to be given under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo:

Information required to be given pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 do not apply to the Company.

Details of foreign exchange earning and outgo are as follows:

Foreign Exchange Earnings	Nil
Foreign Exchange Outgo	Nil

### Acknowledgement:

The Directors wish to place on record their sincere appreciation and acknowledge with gratitude the support and co-operation extended by the Bankers, Shareholders, customers and look forward to their continued support.

For and on Behalf of the Board of Directors

<b>Sunil Jain</b> Managing Director	<b>Mukesh Jain</b> Whole Time Director
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Place : Mumbai  
Date : 28.08.2009

## Management Discussion & Analysis

### Industry Structure and Developments

Real Estate Industry after undergoing through the robust cycle of growth in Indian economy till 2007-08, faced a harsh reality check in year 2008-09. Financial melt-down and global recession lead real estate companies across the world in a state of depression and liquidity crunch. Second half of 2008-09, lead to severe liquidity crises across various sectors of Indian economy leading to concepts like recession, slow down and stimulus for revival of economy.

Consumer sentiments being totally on negative side, many real estate companies curtailed their growth plan and strategy of PAN India emerged as a failure. Property prices across the cities corrected and many ongoing projects were stuck due to liquidity crises and lack of demand.

Sector witnessed a complete turn around in early March 2009 on the back of Government stimulus in form of easing liquidity and allowing real estate companies to restructure the debt. Interest rates eased down and euphoria of launches in the name of affordability revived the sector again. Strong underlying demand in residential segment across metro cities like Mumbai and Delhi gave sign of real estate revival. Focus on low and middle income housing gain prominence and many projects mix were changed from Commercial/Retail to Residential segment. Commercial & Retail Market is still undergoing through price correction, with slow off take in demand. With sign of economy improving at faster pace, commercial real estate market revival is expected much faster.

However, the growth also depends on the policies adopted by the government to facilitate investments mainly in the economic and industrial sector. Starting from infrastructure development to residential complex, commercial real estate to retail space development Indian property market is growing with all kinds of activities. Indian government has placed Infrastructure development as a thrust area for all round growth of the economy.

Real estate industry consists of players engaged in diversified projects such as commercial building, residential townships, IT parks, hospitality, retail ventures etc. The Company is engaged in some spheres of the Industry including commercial and residential constructions.

### Opportunities and Threats

The improvement in the global economic and liquidity situation coupled with more stable commodity prices, the stimulus packages by the Indian Government and various Governments globally provides an opportunity for growth for the infrastructure sector. At the same time, the real estate market has been affected by

depressed prices during the year and there could be a spill-over effect.

### Segment Performance

At present Company is engaged in the business of real estate development and infrastructure activities and there is no separate reportable segment. The Company is developing residential as well as commercial projects mainly in Indore (Madhya Pradesh) and Mumbai (Maharashtra). The Company currently has 3 residential projects in pipeline at Indore named as Hilton Tower, Orchid Residency and Row Houses.

### Risks and Concerns

Your Company has put a risk management framework in place post a comprehensive review of its risk management process. The review involved understanding the existing risk management initiatives businesses as also the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization.

Macro economic factors including economic and political developments, natural calamities which affect the industrial sector generally would also affect the businesses of your Company. Legislative changes resulting in changes in the taxes, duties and levies, whether local or central, also impact business performance and relative competitiveness of the businesses.

### Internal control systems and their adequacy

The company maintains a system of strict internal control, including suitable monitoring procedures. Significant issues are brought to the attention of the Audit Committee of the Directors. The internal controls existing in the company are considered to be adequate vis-à-vis the business requirements.

### Discussion on financial performance

During the year under review, the Company recorded a turnover of Rs. 38.19 Lacs as compared to Rs. 206.89 Lacs recorded during the previous year. The Company recorded a net profit after tax of Rs. 1.67 Lacs as compared to profit of Rs. 81.56 Lacs during the previous year.

### Material developments in human resources

There are no material developments in human resources.

### Cautionary statement

Statement in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

## Report on Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices from the culture and mindset of the organization. As shareholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage.

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges in India (Clause 49) and some of the best practices followed internationally on Corporate Governance, a report containing the details of governance system and processed at Shri Krishna Devcon Limited (SKDL) is as under:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at conducting the business operations of the company with a high degree of integrity and professionalism which facilitates the organization to function at optimal levels even under most trying circumstances.

### 2. BOARD OF DIRECTORS:

#### A) Composition:

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. The Board of Directors of the Company consist of seven directors, four of whom are non-executive independent directors thus making the 57% of the Board members as independent.

The Company has now three Executive directors on the Board, consisting of managing director and two other whole-time directors. According to clause 49, if the chairman is Executive, at least 50% of the Board should consist of non-executive, independent directors. This provision is more than adequately met at Shri Krishna Devcon Limited. There are four non-executive directors and all of them are independent as defined by clause 49 which ensures a good blend of executive and independent directors and achieves the desired level of independence of the Board. All the non-executives directors are eminent businessman and Professionals having a wide range of expertise and experience in management, administration, business finance, law, education etc. which bring with them wide range of skills and experience to the Board.

#### B) Meetings and Attendance:

During the financial year 2008-09, the Board of Directors met Seven (7) times on the following dated : April 18, 2008, June 30, 2008, July 30, 2008, August 21, 2008, October 22, 2008, November 17, 2008 and January 30, 2009. The last Annual General Meeting of the Company was held on September 24, 2008.

The gap between any two meetings never exceeded four months as stipulated in the revised clause 49.

The details of the Board of Directors, their Designation, Category, other directorship and committee memberships, their attendance at the board meetings/last annual general meeting, are given below: (as per separate Chart)

Name of the Director	Designation	Category of Directorship	No. of Shares held in Company	Directorship in other companies (Nos.)	Committees of other companies		Attendance at the Board Meeting		Attendance in last AGM
					Member	Chairman	No. of Meeting held	No. of Meeting attended	
Mr. Sunil Jain	Managing Director	Executive Non-Independent	483183	1	Nil	Nil	7	7	Yes
Mr. Mukesh Jain	Whole Time Director	Executive Non-Independent	483184	1	Nil	Nil	7	7	Yes
Mr. Naveen Jain	Whole Time Director	Executive Non-Independent	483183	Nil	Nil	Nil	7	7	Yes
Mr. P.D. Bairagi	Director	Non-Executive Independent	Nil	Nil	Nil	Nil	7	6	No
Mr. Dinesh Joshi	Director	Non-Executive Independent	Nil	Nil	Nil	Nil	7	5	No
Mr. A. K. Sethi	Director	Non-Executive Independent	Nil	Nil	Nil	Nil	7	5	No
Mr. Manish Bansal	Director	Non-Executive Independent	Nil	Nil	Nil	Nil	7	5	Yes

**Notes:**

1. The Directorships held by Directors, do not include directorship in Shri Krishna Devcon Limited. Also excludes Directorships in Indian Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships.
2. For the purpose of considering the limit of the Committee Memberships and Chairmanships of a Director, the Audit Committee and the Shareholders' Grievances Committee of public listed committees alone has been considered. As per disclosure(s) received from the Directors, the Director does not hold memberships in more than 10 Committees and Chairmanships in more than 5 Committees.
3. All the Independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the tests of independence as laid down under Clause 49. All such declarations are placed before the Board for information.
4. No Director is related to any other Director on the Board, except for Mr. Sunil Jain, Mr. Mukesh Jain and Mr. Naveen Jain, who are brothers.

**3. COMMITTEES OF THE BOARD****A. STANDING COMMITTEES**

Details of the Standing Committees of the Board and other related information are provided hereunder:

**(i) Audit Committee**

**Objectives:** The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

**Composition:** The Board has constituted Audit Committee, comprising Two Independent Non-Executive Directors, namely Mr. P.D. Bairagi, Chairman, Mr. Dinesh Joshi and one Promoter Director Mr. Mukesh Jain. All the members of the Audit Committee possess financial/accounting expertise. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The composition of the Audit Committee is as follows:

Sl. No.	Name of Director	Designation	Category of Director
1	Mr. P. D. Bairagi	Chairman	Non-Executive Independent Director
2	Mr. Dinesh Joshi	Member	Non-Executive Independent Director
3	Mr. Mukesh Jain	Member	Executive Non-Independent Director

### Terms of Reference:

The terms of reference of the Audit Committee are wide enough to cover the matters specified in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

### Meetings:

Four Committee meetings were held during the year, as against the minimum requirement of four meetings. The details of the meetings are as under:

Sl. No.	Date of the Meeting	Committee Strength	No. of Members Present
1	28th June, 2008	3	3
2	28th July, 2008	3	3
3	20th Oct, 2008	3	3
4	27th January, 2009	3	3

Attendance of each Member at the Audit Committee Meetings held during the Year.

Sl. No.	Name of Director	No. of Meeting held	No. of Meeting attended
1	Mr. P.D. Bairagi	4	4
2	Mr. Dinesh Joshi	4	4
3	Mr. Mukesh Jain	4	4

### (ii) Remuneration Committee:

#### Composition:

The Board has constituted Remuneration Committee comprising Mr. P. D. Bairagi as a Chairman and Mr. A. K. Sethi and Mr. Dinesh Joshi as members.

Sl. No.	Name of Director	Designation	Category of Director
1	Mr. P. D. Bairagi	Chairman	Non-Executive Independent Director
2	Mr. A. K. Sethi	Member	Non-Executive Independent Director
3	Mr. Dinesh Joshi	Member	Non-Executive Independent Director

**Terms of Reference:** The remuneration Committee has been constituted on 23<sup>rd</sup> October, 2007 to recommend / review remuneration of the Managing Director and Whole Time Directors, based on their performance and defined assessment criteria.

### Meetings:

During the Financial year ended March 31, 2009 the remuneration committee had met on 18<sup>th</sup> April, 2008.

The Details regarding the Composition of Remuneration Committee and meeting attended by the Directors are as follows:

Sl. No.	Name of Director	No. of Meeting held	No. of Meeting attended
1	Mr. P.D. Bairagi	1	1
2	Mr. Dinesh Joshi	1	1
3	Mr. A. K. Sethi	1	1

The function of the Remuneration Committee includes recommendation of appointment of Managing Director/Whole Time Director(s), evaluation of the performance of the Managing Director/Whole Time Director(s) and recommendation to the Board of the remuneration to the Managing Director/Whole Time Director(s) and such other function as delegated by the Board from time to time. The Remuneration Committee is also authorised to recommend commission to be paid to the Director(s) of the Company who is/are not in the whole time employment of the Company in accordance with and up to the limits laid down under the Companies Act, 1956.

**Remuneration Policy:****Details of Remuneration to Directors for 2008-09:****Remuneration of Non-Executive Directors:**

Non-Executive Directors were not paid any remuneration by way of commission, sitting fees or otherwise.

Non-Executive Directors does not have any material pecuniary relationship or transaction with the Company.

**Remuneration of Executive Directors:**

Payment of remuneration to the Managing Director and Whole Time Directors of the Company is governed by the agreement between them and the company and is approved by the Board and the shareholders in terms of Schedule XIII to the Companies Act, 1956. These agreements with Managing Director and Whole Time Directors are for a period of Two years and renewed thereafter, on mutually accepted terms and conditions.

The details of remuneration paid to the Directors during the year under review from 01.04.2008 to 31.03.2009 are given as follows:

SL. NO.	Name of Director	Designation	Gross Remuneration
1	Mr. Sunil Jain	Managing Director	3,00,000
2	Mr. Mukesh Jain	Whole Time Director	3,00,000
3	Mr. Naveen Jain	Whole Time Director	3,00,000
4	Mr. P.D. Bairagi	Director	NIL
5	Mr. Dinesh Joshi	Director	NIL
6	Mr. A. K. Sethi	Director	NIL
7	Mr. Manish Bansal	Director	NIL

**(iii) Shareholders / Investor Grievances Committee:**

**Composition:** The Board has constituted Shareholders' / Investors' Grievance Committee (the Committee), comprising Mr. P. D. Bairagi, as a Chairman and Mr. Dinesh Joshi and Mr. Sunil Jain as members.

The composition of the Committee is as follows:

Sl. No.	Name of Director	Designation	Category of Director
1	Mr. P. D. Bairagi	Chairman	Non-Executive Independent Director
2	Mr. Dinesh Joshi	Member	Non-Executive Independent Director
3	Mr. Sunil Jain	Member	Executive Non-Independent Director

**Terms of reference:**

The Committee normally meets as and when required. The Committee, *inter alia*, approves issue of duplicate certificate and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholder's / investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company, and monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading Regulation, 1992. The Board has delegated the power of approving transfer of securities to the Managing Director and / or the Whole Time Director(s).

**Meeting:** During the year, the Committee met Four times, details of which are as under:

Sl. No.	Date of the Meeting	Committee Strength	No. of Members Present
1	21st April, 2008	3	3
2	14th July, 2008	3	3
3	21st October, 2008	3	3
4	22nd January, 2009	3	3

Attendance of each Member at the Shareholders/ Investor Grievance Committee Meetings held during the Year.

Sl. No.	Name of Director	No. of Meeting held	No. of Meeting attended
1	Mr. P.D. Bairagi	4	4
2	Mr. Dinesh Joshi	4	4
3	Mr. Sunil Jain	4	4

**Investor Grievance Redressal:** The total number of complaints received and resolved to the satisfaction of investors during the year under review as follows:

No. of complaints pending : NIL  
as on 1st April 2008

No. of complaints received & resolved during 01.04.2008 to 31.03.2009 : NIL

No. of complaints pending : NIL  
as on 31.03.2009

#### (iv) Finance Committee:

**Composition:** The Finance Committee of the Board comprises Mr. Sunil Jain, Mr. Mukesh Jain and Mr. Naveen Jain.

**Terms of Reference:** The Committee was formed to approve availment of working capital facilities, loan facilities, etc. and any other specific matter delegated by the Board from time to time.

#### B. FUNCTIONAL COMMITTEES:

The Board may, from time to time, constitute one or more Functional Committees delegating thereto powers and duties with respect to specific purposes. Meetings of such Committees are held as and when the need arises. Time schedule for holding the meetings of such functional committees are finalized in consultation with the Committee Members.

#### 4. BOARD PROCEDURE:

The Board and its Committees meet at regular intervals for discussion on agenda items, detailed notes along with relevant documents for which are generally circulated in advance to the directors for deliberations at each meeting of the Board/Committee thereof. The senior management of the company is invited to attend the Board meeting, make presentations and provide clarifications as and when necessary. They have complete and unfettered access to any information required.

The information as required under annexure 1 of clause 49 is made available to the Board such as strategy and business plans, annual operation plans and capital expenditure, investments and exposure limits, any updates, quarterly results, minutes of various committees such as audit committee, shareholders' / investors' grievance committee etc., updation and review of major legal issues. HR related issues & industrial relations, compliance with statutory/regulatory compliances etc.

**5. GENERAL BODY MEETINGS :****LOCATION AND TIME WHEN LAST 3 ANNUAL GENERAL MEETING ARE HELD :**

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Year	Location	Date and Time	No. of Special Resolutions set out at the AGMs
2007-08	414, 4th Floor, Crystal Paradise The Mall, Off Veera Desai Road, New Link Road, Andheri (W), Mumbai - 400 053	September 24, 2008 11.30 A.M.	Nil
2006-07	634, Laxmi Plaza, Laxmi Ind. Estate, Off New Link Road, Andheri (W), Mumbai - 400 053	September 28, 2007 11.30 A.M.	2
2005-06	103, Sagarika Apartment, Opp. Palmgrove, Juhu Tara Road, Juhu, Mumbai - 400 049	September 29, 2006 11.30 A.M.	Nil

All special resolutions set out in the notice for the year 2006-07 were passed by the shareholders at the respective meeting with requisite majority.

**6. DISCLOSURES:**

- a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the company at large.

The transaction with related parties has been disclosed in the note no. 14 of the notes to accounts, in schedule 'P' to the financial statement.

- b. Details of non-compliance by the Company, penalties, and strictures imposed on the company by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The Company has complied with all requirements of Listing Agreement with the Stock Exchange & SEBI Regulations and Guidelines. Further, no penalty was imposed by SEBI, Stock Exchange or any Statutory Authority on any matter related to capital markets during the last three years.

- c. Whistle Blower Policy :

The Company has not yet formulated Whistle Blower Policy, the same being a non - mandatory requirement.

- d. Details of compliance with mandatory requirements and adoption of non mandatory requirements:

The Company has complied with all the mandatory requirement of Listing Agreement. The Company has also adopted the non mandatory requirement of Remuneration Committee to the extent in point 3 (A) (ii) above and has not adopted other non mandatory requirements. Adoptions of other non mandatory requirements of Clause 49 of the Listing agreement are being reviewed by the Board.

- e. Disclosure of accounting treatment:

In the preparation of financial statements the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to accounts forming part of this Annual report.

- f. Disclosure for Risk Management:

The Company has laid down procedures to inform the Board members about the risk



assessment and minimization procedures. These procedures are periodically reviewed to ensure that the executive management controls risk through means of properly defined framework.

## 7. MEANS OF COMMUNICATION:

The Board of Directors of the Company approves and takes on record quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement with in one month of the close of the respective period. And the approved financial results are forthwith sent to the stock exchange and are published in the English Newspapers namely, Free Press Journal. In addition, the same are published in local language (Marathi) newspapers namely Navshakti with in Forty Eight hours of approved thereof. All important information pertaining to the company is also mentioned in the Annual Report of the Company containing *inter-alia* Audited Accounts, Directors' Report, Auditors' Report, Management Discussion and Analysis (MDA) and Corporate Governance Section which is circulated to the members and others entitled thereto for each financial year.

## 8. CEO/CFO CERTIFICATION

The CEO and the CFO of the Company give certification on financial reporting and internal controls to the Board in terms of Clause 49.

## 9. GENERAL SHAREHOLDER INFORMATION:

**a. Company Registration Details:** The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L67190MH1993PLC075295.

**b. Annual General Meeting:**

**Day, Date & Time:**

Saturday, 26<sup>th</sup> September, 2009  
at 11.30 A.M.

**Venue:**

414, 4th Floor,  
Crystal Paradise The Mall,  
Off Veera Desai Road,  
Andheri (West), Mumbai - 400 053

**c. Financial Year:** April 01, to March 31.

**d. Financial Calendar 2009-10 (Tentative):**

Financial Reporting for the quarter ending June 30, 2009	End of July 2009
Financial Reporting for the quarter ending September 30, 2009	End of October 2009
Financial Reporting for the quarter ending December 31, 2009	End of January 2010
Financial Reporting for the quarter ending March 31, 2010	End of April 2010

**e. Dates of Book Closure:**

Monday, 21<sup>st</sup> September, 2009 to Saturday 26<sup>th</sup> September, 2009 (both days inclusive).

**f. Dividend Payment Date :**

No Dividend is recommended by the Board on equity shares of the Company.

**g. Listing on Stock Exchange:**

The equity shares of the Company are listed on:

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange Limited (BSE)	531080

The Company has paid annual Listing fees for the year 2009-10 to BSE.

**h. Market Price Data:**

Period	Bombay Stock Exchange (BSE) (In Rs. Per share)	
	Month's High Price	Month's Low Price
April, 2008	-	-
May, 2008	36.95	36.95
June, 2008	35.15	35.15
July, 2008	33.40	31.75
August, 2008	30.20	21.30
September, 2008	21.90	19.00
October, 2008	-	-
November, 2008	-	-
December, 2008	-	-
January, 2009	-	-
February, 2009	-	-
March, 2009	-	-

Source: BSE website

**Note:**

There were no trades during the months of April, 2008 and from October, 2008 to March, 2009 of the financial year 2008-09.

**i. Registrar and Transfer Agents & Share Transfer System:**

M/s. Sharex Dynamic (India) Private Limited is your Company's Share Transfer Agent. Share transfers in physical form and other communications regarding shares, dividend, change of address, etc. may be addressed to:

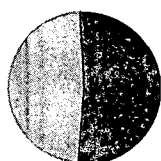
**M/s. Sharex Dynamic (India) Private Limited**  
Share Transfer Agents

Unit - 1, Luthra Ind. Premises,  
M. Vasanji Marg, Andheri - Kurla Road,  
Safed Pool, Andheri (East),  
Mumbai - 400 072  
Tel No. : 022 - 28515606/5644,  
Fax No.: 022 - 28512885,  
E mail : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

Transfer of shares in physical form is processed and completed by Sharex Dynamic (India) Private Limited within the stipulated time period, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the officers of the Company. A summary of transfer / transmission of securities of the Company so approved by officers are placed at every Shareholders/Investor Grievance Committee meeting. In case of Shares in Demat Form, the transfers are processed by NSDL or CDSL through respective Depositories Participants. The Company obtains, from a company secretary in practice, half - yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Bombay Stock Exchange Limited.

**j. Distribution of Shareholding as on March 31, 2009.**

Public  
47.05%



Indian  
Promoters  
52.95%

**k. Share Ownership Pattern as on March 31, 2009.**

SL. NO.	CATEGORY	NO. OF SHARES HELD	% OF SHARE CAPITAL
<b>A</b>	<b>PROMOTERS HOLDING</b>		
<b>1</b>	<b>Promoters</b>		
	-Indian Promoters	3865470	52.95
	-Foreign Promoters	Nil	Nil
<b>2</b>	<b>Persons acting in concert</b>	Nil	Nil
	<b>Sub-total (A)</b>	<b>3865470</b>	<b>52.95</b>
<b>B</b>	<b>NON-PROMOTERS HOLDINGS</b>		
<b>3.</b>	<b>Institutional Investors</b>		
a.	Mutual Funds and UTI	Nil	Nil
b.	Banks, Financial Institute	Nil	Nil
c.	FII's	Nil	Nil
d.	Others	Nil	Nil
	<b>Sub-total</b>	<b>Nil</b>	<b>Nil</b>
<b>4.</b>	<b>Non-Institutional Investors</b>		
a.	Bodies Corporate	2389900	32.74
b.	Individuals Holdings	1044630	14.31
c.	NRI Holdings	400	00.01
d.	Any others	Nil	Nil
	<b>Sub-total (B)</b>	<b>3434930</b>	<b>47.06</b>
<b>C.</b>	<b>Held by Custodian against Dep-Receipts</b>	Nil	Nil
	<b>Sub-total (C)</b>	<b>Nil</b>	<b>Nil</b>
	<b>Grand Total (A+B+C)</b>	<b>7300400</b>	<b>100.00</b>

**l. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

NIL.

**m. Dematerialization of Shares and Liquidity:**

Details of Dematerialised shares are as follows:

Date	No. of Shares held in Dematerialised form	Total Paid up Capital	% of Paid up capital in Dematerialised form
31.03.09	6207270	7300400	85.03 %

Shareholders, who still continue to hold shares in physical form, are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialized form. For any clarification, assistance or information, please contact Sharex Dynamic (India) Private Limited, the Registrar and Transfer Agent of the Company. The shareholders have the option to hold Company's shares in demat form through the NSDL and CDSL.

- n.** The Company has not issued any ADRs/GDRs/ Warrants or any convertible instruments during the financial year 2008-09.
- o.** Since the Company is engaged in Real Estate sector, there are no plants or manufacturing units.
- p. Nomination:**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per bye laws and business rules applicable to NSDL and CDSL.

**q. Secretarial Audit:**

As stipulated by SEBI, a qualified Practicing Chartered Accountant's Firm M/s. Khandelwal and Khandelwal Associates carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed Stock Exchange. The audit confirm that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**r. Address for Correspondence:**

The Investors can personally contract or send their correspondence either to Share Transfer Agents or at the Company's Investor Service Centre, at the following address:

**M/s. Sharex Dynamic (India) Private Limited**  
Share Transfer Agents  
Unit - 1, Luthra Ind. Premises,  
M. Vasanji Marg,  
Andheri - Kurla Road,  
Safed Pool, Andheri (East),  
Mumbai - 400 072  
Tel No. : 022 - 28515606/5644,  
Fax No.: 022 - 28512885,  
E mail : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

**Shri Krishna Devcon Limited**  
Investor Service Centre  
414, 4th Floor, Crystal Paradise The Mall,  
Off Veera Desai Road,  
Andheri (West),  
Mumbai - 400 053  
Telfax : 022- 67101899  
Email : [shrikrishnaelectra@hotmail.com](mailto:shrikrishnaelectra@hotmail.com)

## **Declaration – Code of Conduct**

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I hereby confirm that:

The Company has obtained from all the members of the Board and senior management personnel of the Company, affirmation that they have complied with the Code of conduct framed for Directors and senior management in respect of the Financial Year 2008-09.

**Sunil Jain**

Managing Director

Place : Mumbai

Date : 30.06.2009

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## **Auditor's Certificate on Corporate Governance**

To,

The Members,

**SHRI KRISHNA DEVCON LIMITED**

We have examined the compliance of conditions of Corporate Governance by SHRI KRISHNA DEVCON LIMITED (the Company) for the year ended on March 31, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, We certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with the Management has conducted the affairs of the Company.

For **Khandelwal and Khandelwal Associates**

Chartered Accountants

**Durgesh Khandelwal**

Partner

Membership No. 077390

Place : Mumbai

Date : 30.06.2009

## Auditors' Report

To,  
The Members,  
**SHRI KRISHNA DEVCON LIMITED**  
Mumbai

We have audited the attached Balance sheet of **Shri Krishna Devcon Limited**, Mumbai ("the Company") as at 31st March, 2009 and also the Profit & Loss Account of the company and 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.

1. We have 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 the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, We Annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to 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 purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of accounts of the Company;
  - c) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by the

report are in agreement with the books of accounts of the company.

- d) In our opinion, the Balance Sheet , Profit & Loss Account and cash flow statement comply with the accounting standard referred to in section 211(3C) of the Companies Act, 1956, to the extent applicable.
- e) On the basis of the written representations received from the Directors as on 31.03.2009 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31.03.2009 from being appointed as a director of the Company 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 explanation given to us, said Accounts, read together with 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 2009;
  - II) In the case of the Profit & Loss Account, of the Profit of the company for the year ended on that date;
  - III) In the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

For **Khandelwal and Khandelwal Associates**  
Chartered Accountants

(**Durgesh Khandelwal**)  
Partner  
M.NO. 077390

Place : Mumbai  
Date : 30.06.2009

## Annexure Referred to in Paragraph 3 of Our Report of Even Date to the Members of Shri Krishna Devcon Limited

### 1. 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) The Major assets have been physically verified by the management on a sample basis during the year and in our opinion the frequency of verification is reasonable. No material discrepancies were noticed on such verification.
- c) There was no substantial disposal of fixed assets during the year.

### 2. Inventories:-

- a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

### 3. Loans and advances either granted or taken:-

- a) The Company has not granted any loans during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956.

In view of clause 4 (iii) (a) of the Companies (Auditor's Report) Order, 2003, clause 4 (iii) (b, c & d) are not applicable to the company.

- b) The Company had taken loan from parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the

year was Rs. 11,50,000/- and the year end balance of loans taken from such parties was NIL.

- c) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
- d) In respect of loans taken, repayment of the principal amount is as stipulated.

### 4. Internal Controls:-

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 and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

### 5. Transactions with parties under section 301 of the Companies act, 1956:-

- a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register maintained under that section.
- b) In our opinion and according to the information and explanation to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

**6. Public Deposits:**

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.

**7. Internal Audit System:-**

In our opinion, and according to information and explanation given to us, the Company has an Internal Audit system commensurate with its size and the nature of its business.

**8. Cost Records:-**

According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 for any of the activities of the company.

**9. Statutory Dues:-**

- a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Income Tax, Cess and any other statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, wealth Tax, cess and other undisputed statutory dues were outstanding at the end of the year for a period of more than six months from the date they become payable.
- c) According to the information and explanations given to us there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess outstanding on account of any dispute.

**10. Accumulated Losses:-**

The Company's accumulated losses at the end of the financial period, are less than fifty per cent of its net worth and it has not incurred any Cash losses during the financial period ended on that date or in the immediately preceding financial period.

**11. Dues to Financial Institutions/ Banks:-**

According to the information and explanations given to us, and based on the documents and records verified by us the company has not borrowed any loans from the Banks, Financial Institution or by way of Debentures.

**12. Loans against pledge of securities:-**

According to the information and explanations given to us, and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

**13. Applicability of provisions of special statutes:-**

In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / Societies.

**14. Investments :-**

In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the Company, in its own name.

**15. Guarantees:-**

According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks

or financial institutions; hence whether the terms and conditions are prejudicial to the interest of the company does not arise.

#### 16. Application of Funds raised from bank:-

The Company has not obtained any term loan during the year; hence the question of whether the term loan was applied for the purpose for which the term loan was obtained does not arise.

#### 17. Utilisation of Funds:-

According to the information and explanations given to us, and on an overall examination of Balance Sheet of the company, fund raised on short term basis have *prima facie* not been used for long term investment.

#### 18. Preferential Allotment of shares:-

According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore the provisions of clause 4 (xviii) of the order are not applicable to the company.

#### 19. Securities created in respect of Debentures issued :-

The company has not issued debentures during the year, hence the question of whether

security or charge has been created in respect of said debentures issued, does not arise.

#### 20. End use of money in case of public issue :-

During the period covered by our audit report, the Company has not raised any money by public issue.

#### 21. Frauds:-

Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the management, no fraud on, or by the Company, has been noticed or reported during the period that causes the financial statements to be materially misstated.

For Khandelwal and Khandelwal Associates  
Chartered Accountants

(Durgesh Khandelwal)  
Partner  
M.NO. 077390

Place : Mumbai  
Date : 30.06.2009



**Balance Sheet As At 31st March, 2009**

PARTICULARS	SCHEDULE	AS AT 31ST MARCH, 2009 Rs.	AS AT 31ST MARCH, 2008 Rs.
<b>SOURCES OF FUND:</b>			
Shareholder's Funds	A	73,004,000.00	73,004,000.00
Reserve & Surplus	B	76,751,284.00	76,751,284.00
<b>TOTAL</b>		<b>149,755,284.00</b>	<b>149,755,284.00</b>
<b>Loan Funds :</b>			
Secured Loans	C	1,113,315.00	—
Unsecured Loans	D	11,104,073.00	12,104,073.00
<b>TOTAL</b>		<b>12,217,388.00</b>	<b>12,104,073.00</b>
<b>Deferred Tax Liability</b>		<b>49,700.00</b>	<b>400.00</b>
<b>TOTAL</b>		<b>162,022,372.00</b>	<b>161,859,757.00</b>
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets:</b>	E		
Gross Block		1,994,806.00	504,332.00
Less: Depreciation		91,940.00	353,493.00
Net Block		1,902,866.00	150,839.00
Capital work-in-progress		—	—
<b>TOTAL</b>		<b>1,902,866.00</b>	<b>150,839.00</b>
<b>Investments</b>	F	<b>27,321,499.00</b>	<b>11,310,261.00</b>
<b>Current Assets, Loans &amp; Advances:</b>			
a) Inventories	G	83,332,742.00	64,302,532.00
b) Sundry Debtors	H	—	8,467,500.00
c) Cash and Bank Balances	I	8,291,902.00	11,833,629.00
d) Loans and Advances	J	42,638,306.00	81,685,770.00
		<b>134,262,950.00</b>	<b>166,289,431.00</b>
<b>Less: Current Liabilities &amp; Provisions</b>	K		
a) Liabilities		7,939,084.00	19,818,500.00
b) Provisions		110,767.00	2,824,200.00
		<b>8,049,851.00</b>	<b>22,642,700.00</b>
<b>Net Current Assets</b>		<b>126,213,099.00</b>	<b>143,646,731.00</b>
<b>Profit &amp; Loss Account</b>		<b>6,584,908.00</b>	<b>6,751,926.00</b>
<b>TOTAL</b>		<b>162,022,372.00</b>	<b>161,859,757.00</b>
<b>Notes to the Accounts &amp; Significant Accounting Policies</b>	P		

The Schedules referred to above form an integral part of the Balance Sheet.

As Per our Report of even date attached

For Khandelwal and Khandelwal Associates  
Chartered Accountants

For and on behalf of the Board

(Durgesh Khandelwal)  
Partner  
M.NO. 077390

Sunil Jain  
Managing Director

Mukesh Jain  
Wholetime Director

Place : Mumbai  
Date : 30.06.2009

**Profit and Loss Account For The Year Ended 31st March, 2009**

PARTICULARS	SCHEDULE	YEAR ENDED 31ST MARCH, 2009 Rs.	YEAR ENDED 31ST MARCH, 2008 Rs.
<b>INCOME</b>			
Income from Operation	L	2,370,000.00	18,347,930.00
Other Income	M	1,449,262.00	2,340,993.00
<b>TOTAL</b>		<b>3,819,262.00</b>	<b>20,688,923.00</b>
<b>EXPENDITURE</b>			
Cost of Sales	N	—	4,692,684.00
Operating and Administrative Expenses	O	3,375,725.00	4,084,891.00
Interest		42,411.00	185,451.00
Depreciation		74,041.00	4,555.00
<b>TOTAL</b>		<b>3,492,177.00</b>	<b>8,967,581.00</b>
<b>Profit Before Tax</b>		<b>327,085.00</b>	<b>11,721,342.00</b>
<b>Less : Provision for Tax</b>			
Current Tax		84,614.00	2,816,500.00
Deferred Tax		49,300.00	400.00
Fringe Benefit Tax		26,153.00	7,700.00
<b>Less : Tax Adjustment for earlier years</b>		<b>—</b>	<b>740,862.00</b>
<b>Profit / (Loss) after Tax</b>		<b>167,018.00</b>	<b>8,155,880.00</b>
<b>Add : Prior period adjustment</b>		<b>—</b>	<b>—</b>
<b>Profit / (Loss) after Tax and prior period adjustment</b>		<b>167,018.00</b>	<b>8,155,880.00</b>
Balance brought forward from previous year		(6,751,926.00)	(14,907,806.00)
<b>Balance Carried forward to Balance Sheet</b>		<b>(6,584,908.00)</b>	<b>(6,751,926.00)</b>
<b>Earning Per Share- Basic &amp; Diluted</b>		<b>0.02</b>	<b>2.30</b>
<b>Notes to the Accounts &amp; Significant Accounting Policies</b>	P		

The Schedules referred to above form an integral part of the Profit and Loss Account.

As Per our Report of even date attached

For **Khandelwal and Khandelwal Associates**  
Chartered Accountants

For and on behalf of the Board

(**Durgesh Khandelwal**)  
Partner  
M.NO. 077390

**Sunil Jain**  
Managing Director

**Mukesh Jain**  
Wholetime Director

Place : Mumbai  
Date : 30.06.2009

**Cash Flow Statement For The Year Ended March 31, 2009**

PARTICULARS	YEAR ENDED 31ST MARCH, 2009 Rs.	YEAR ENDED 31ST MARCH, 2008 Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	327,085.00	11,721,342.00
Adjustment for:		
Add: Depreciation	74,041.00	4,555.00
Add: Interest Expenses	42,411.00	185,451.00
Add: Loss on sale of Fixed Assets	2,756.00	(839,663.00)
Add: Loss on sale of Investments	100,454.00	—
Add: Loss from Partnership Firm	313.00	—
Less: Interest on Fixed Deposits	(83,262.00)	—
Less: Gain on Sale of Office Premises	—	(197,500.00)
Less: Dividend and Misc. Income	(1,366,000.00)	(1,303,830.00)
<b>Operating cash flow before changes in working capital</b>	<b>(902,202.00)</b>	<b>9,570,355.00</b>
Adjustments for:		
(increase)/decrease in inventories	(19,030,210.00)	(64,302,532.00)
(increase)/decrease in sundry debtors	8,467,500.00	(5,702,793.00)
(increase)/decrease in loans and advances	36,260,423.00	(76,113,796.00)
Increase/(decrease) in current liabilities and provisions	(11,879,416.00)	18,964,368.00
Cash generated from / (used in) operations	12,916,095.00	(117,584,398.00)
Taxes Paid	37,159.00	4,784,723.00
<b>Net cash generated by operating activities (A)</b>	<b>12,878,936.00</b>	<b>(122,369,121.00)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Office Premise	—	(9,802,500.00)
Purchase of Fixed Assets	(1,838,824.00)	(138,052.00)
Purchase of Investment	—	(26,755,496.00)
Sale of Fixed Assets	10,000.00	—
Investment in Partnership Firm	(16,128,000.00)	—
Loss on sale of Investment	(100,454.00)	—
Sale of Investments	116,449.00	24,223,739.00
Sale of Office Premise	—	10,000,000.00
Dividend and Misc. Income Received	1,366,000.00	1,303,830.00
Interest on Fixed Deposits	83,262.00	—
Gain on sale of Investment	—	839,663.00
Gain on sale of Office Premise	—	197,500.00
<b>Net cash generated by investing activities (B)</b>	<b>(16,491,567.00)</b>	<b>(131,316.00)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Share Capital	—	43,000,000.00
Security Premium received from issue of Equity Share Capital	—	77,400,000.00
Share Issue Expenses (adjusted against securities premium account)	—	(648,716.00)
Interest Expenses	(42,411.00)	(185,451.00)
Net proceeds from short term Borrowings	—	5,203,000.00
Increase / (Repayment) of short term borrowings	(1,000,000.00)	—
Increase / (Repayment) of long term borrowings	1,113,315.00	—
<b>Net cash generated by financing activities (C)</b>	<b>70,904.00</b>	<b>124,768,833.00</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(3,541,727.00)</b>	<b>2,268,396.00</b>
Cash and cash equivalents at the beginning of the year	11,833,629.00	9,565,233.00
Cash and cash equivalents at the end of the year	8,291,902.00	11,833,629.00
<b>Note :</b>		
<b>Cash and cash equivalents at the year end comprise:</b>		
1) Cash on hand	270,616.00	394,509.00
Balance with scheduled banks in:		
Current Accounts	6,905,176.00	10,939,120.00
Deposit Account	1,116,110.00	500,000.00
	<b>8,291,902.00</b>	<b>11,833,629.00</b>
2) The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.		

As Per our Report of even date attached  
For **Khandelwal and Khandelwal Associates**  
Chartered Accountants

For and on behalf of the Board

(**Durgesh Khandelwal**)  
Partner  
M.NO. 077390  
Place : Mumbai  
Date : 30.06.2009

**Sunil Jain**  
Managing Director

**Mukesh Jain**  
Wholtime Director

**Schedule Forming Part of Balance Sheet**

PARTICULARS	AS AT 31ST MARCH, 2009 Rs.	AS AT 31ST MARCH, 2008 Rs.
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
85,00,000 ( Previous year 85,00,000)	85,00,000.00	85,00,000.00
Equity Shares of Rs. 10/- each		
<b>Issued, Subscribed &amp; Paid-up :</b>		
73,00,400 (Previous year 73,00,400 )	73,004,000.00	73,004,000.00
Equity Shares of Rs. 10/- each fully pad up.		
<b>TOTAL</b>	<b>73,004,000.00</b>	<b>73,004,000.00</b>
<b>SCHEDULE "B"</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Security Premium Account:</b>		
Received on issue of Equity Shares	76,751,284.00	77,400,000.00
Less: Miscellaneous Expenditure adjusted	—	648,716.00
<b>TOTAL</b>	<b>76,751,284.00</b>	<b>76,751,284.00</b>
<b>SCHEDULE "C"</b>		
<b>SECURED LOANS:</b>		
Vehicle Loans from HDFC Bank Ltd. (Secured against the hypothecation of respective vehicle)	1,113,315.00	—
	<b>1,113,315.00</b>	<b>—</b>
<b>SCHEDULE "D"</b>		
<b>UNSECURED LOANS:</b>		
From Corporate Bodies	11,104,073.00	10,954,073.00
From Directors	—	1,150,000.00
<b>TOTAL</b>	<b>11,104,073.00</b>	<b>12,104,073.00</b>

## Schedule Forming Part of Balance Sheet

SCHEDULE "E"  
FIXED ASSETS

SL. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.08	ADDITIONS DURING THE YEAR	DEDUCTION/ ADJUSTMENT	AS AT 31.03.09	AS AT 01.04.08	FOR THE YEAR	DEDUCTION/ ADJUSTMENT	AS ON 31.03.09	AS AT 31.03.09	AS AT 31.03.08
1	Computer and peripherals	58,160.00	—	—	58,160.00	2,609.00	8,980.00	—	11,589.00	46,571.00	55,551.00
2	Computing Equipment	348,350.00	—	(348,350.00)	—	335,594.00	—	(335,594.00)	—	—	12,756.00
3	Furniture & Fixtures	17,930.00	—	—	17,930.00	14,479.00	852.00	—	15,331.00	2,599.00	3,451.00
4	Air Conditioner	38,398.00	23,499.00	—	61,897.00	160.00	2,930.00	—	3,090.00	58,807.00	38,238.00
5	DVD Player	4,499.00	—	—	4,499.00	59.00	212.00	—	271.00	4,228.00	4,440.00
6	LCD TV	29,000.00	—	—	29,000.00	483.00	1,353.00	—	1,836.00	27,164.00	28,517.00
7	EPABX	7,995.00	—	—	7,995.00	109.00	376.00	—	485.00	7,510.00	7,886.00
8	Mobile Instruments	—	27,500.00	—	27,500.00	—	1,340.00	—	1,340.00	26,160.00	—
9	Vehicles	—	1,787,825.00	—	1,787,825.00	—	57,998.00	—	57,998.00	1,729,827.00	—
	Total	504,332.00	1,838,824.00	(348,350.00)	1,994,806.00	353,493.00	74,041.00	(335,594.00)	91,940.00	1,902,866.00	150,839.00
	Previous Year	366,280.00	138,052.00	—	504,332.00	348,938.00	4,555.00	—	353,493.00	150,839.00	17,342.00

**Schedule Forming Part of Balance Sheet**

PARTICULARS	AS AT 31ST MARCH, 2009 Rs.	AS AT 31ST MARCH, 2008 Rs.
<b>SCHEDULE "F"</b>		
<b>INVESTMENTS</b>		
<b>A) UNQUOTED SHARES &amp; SECURITIES</b>	—	—
<b>B) QUOTED SHARES &amp; SECURITIES:</b>		
5,26,784 (Previous Year 5,29,700 ) Equity shares of Media Matrix Worldwide Ltd. of Rs. 10/- each fully paid up	6,009,686.00	6,052,318.00
28,891 (Previous year 28,900) Equity shares of Vishal Malleables Ltd. of Rs. 10/- each fully paid up	2,444,085.00	2,445,019.00
1,259,800 ( Previous Year 1,28,780 of Rs.10/-) Equity shares of Mobile Telecommunications Ltd. of Rs. 1/- each fully paid up	2,740,041.00	2,812,924.00
(Aggregate Market value as at 31st March, 2009 Rs. 54.19 Lacs) (Previous year Rs.54.48 Lacs)		
<b>C) INVESTMENTS IN PARTNERSHIP FIRMS:</b>		
Maa Shipra Enterprises Capital Account	3,400,000.00	—
Shrikrishna Mewad Devcon Capital Account	12,727,687.00	—
<b>TOTAL</b>	<b>27,321,499.00</b>	<b>11,310,261.00</b>
<b>SCHEDULE "G"</b>		
<b>INVENTORIES :</b>		
(AT LOWER OF COST OR NET REALISABLE VALUE)		
(Taken, Valued & certified by the Managenent)		
Flats for Resale	824,462.00	824,462.00
Land / Plots for Development	82,508,280.00	63,478,070.00
<b>TOTAL</b>	<b>83,332,742.00</b>	<b>64,302,532.00</b>
<b>SCHEDULE "H"</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	—	—
Others	—	8,467,500.00
<b>TOTAL</b>	<b>—</b>	<b>8,467,500.00</b>

**Schedule Forming Part of Balance Sheet**

PARTICULARS	AS AT 31ST MARCH, 2009 Rs.	AS AT 31ST MARCH, 2008 Rs.
<b>SCHEDULE "I"</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	270,616.00	394,509.00
Balance with Scheduled Banks:		
- In current Accounts	6,905,176.00	10,939,120.00
- In Fixed Deposit Accounts	1,116,110.00	500,000.00
<b>TOTAL</b>	<b>8,291,902.00</b>	<b>11,833,629.00</b>
<b>SCHEDULE "J"</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Advances Recoverable in cash or kind or for value to be received	37,231,004.00	77,821,927.00
Rent Deposit	215,500.00	200,000.00
Advance Tax & TDS	876,802.00	3,663,843.00
Others	4,315,000.00	—
<b>TOTAL</b>	<b>42,638,306.00</b>	<b>81,685,770.00</b>
<b>SCHEDULE "K"</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	5,407,625.00	17,810,350.00
Advance from Customers	2,511,000.00	2,000,000.00
Other Liabilities	20,459.00	8,150.00
	<b>7,939,084.00</b>	<b>19,818,500.00</b>
<b>PROVISIONS</b>		
Income Tax	84,614.00	2,816,500.00
Fringe Benefit Tax	26,153.00	7,700.00
<b>TOTAL</b>	<b>8,049,851.00</b>	<b>22,642,700.00</b>

**Schedule Forming Part of Profit and Loss Account**

PARTICULARS	YEAR ENDED 31ST MARCH, 2009 Rs.	YEAR ENDED 31ST MARCH, 2008 Rs.
<b>SCHEDULE "L"</b>		
<b>INCOME FROM OPERATIONS</b>		
Sale of Land/Plots	—	13,929,500.00
Sale of Shares & Securities	—	2,918,430.00
Income from Financial Services	—	1,500,000.00
Rent	2,370,000.00	—
<b>TOTAL</b>	<b>2,370,000.00</b>	<b>18,347,930.00</b>
<b>SCHEDULE "M"</b>		
<b>OTHER INCOME</b>		
Dividend Income	—	179,440.00
Interest on Fixed Deposits	83,262.00	—
Gain on sale of Investment	—	839,663.00
Gain on sale of Office Premise	—	197,500.00
Misc. Receipts	1,366,000.00	1,124,390.00
<b>TOTAL</b>	<b>1,449,262.00</b>	<b>2,340,993.00</b>
<b>SCHEDULE "N"</b>		
<b>COST OF SALES</b>		
Opening Inventories		
Flats for resale	824,462.00	—
Land / Plots for Development	63,478,070.00	—
	<b>64,302,532.00</b>	—
Add: Cost of Land sold	—	2,625,000.00
Cost of Land/Plots & Development	19,030,210.00	63,478,070.00
Flats for resale	—	824,462.00
Purchase of Shares & Securities	—	2,067,684.00
Less: Closing Inventories		
Flats for resale	824,462.00	824,462.00
Land / Plots for Development	82,508,280.00	63,478,070.00
<b>TOTAL</b>	<b>—</b>	<b>4,692,684.00</b>



**Schedule Forming Part of Profit and Loss Account**

PARTICULARS	YEAR ENDED 31ST MARCH, 2009 Rs.	YEAR ENDED 31ST MARCH, 2008 Rs.
<b>SCHEDULE "O"</b>		
<b>OPERATING AND ADMINISTRATIVE EXPENSES</b>		
Auditors Remuneration	100,000.00	50,000.00
Bank Charges	14,167.00	72,796.00
Brokerage	—	43,000.00
Advertisement	74,981.00	47,175.00
Entertainment Expenses	5,855.00	85,217.00
Office Expenses	33,593.00	72,148.00
Rent	628,900.00	196,000.00
Salary	310,933.00	44,033.00
Telephone Expenses	20,969.00	2,337.00
Legal Expenses	138,037.00	51,870.00
Electricity Charges	56,525.00	4,670.00
Internet Charges	7,286.00	2,195.00
Miscellaneous Expenses	9,145.00	56,838.00
Postage Expenses	895.00	36,568.00
Printing & Stationary	87,450.00	157,570.00
Travelling Expenses	317,351.00	94,468.00
Lodging and Boarding Expenses	35,946.00	—
Legal & Professional Fees	520,259.00	2,656,006.00
Loss on Sale of Computing Machines	2,756.00	—
Loss on Sale of Shares	100,454.00	—
Loss From Partnership Firm	313.00	—
Vehicle Running and Maintenance	9,910.00	—
Directors Remuneration	900,000.00	412,000.00
<b>TOTAL</b>	<b>3,375,725.00</b>	<b>4,084,891.00</b>

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**Accounting Policies and notes forming part of the Balance Sheet as at and Profit and Loss Account for the year ended 31st March, 2009.****SCHEDULE "P"****I) Significant Accounting Policies****1) Basis of preparation of financial statements :**

The financial statements are prepared on the historical cost convention on an accrual basis and in accordance with Indian generally accepted accounting principles comprising the accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the companies Act, 1956 as adopted consistently by the company.

**2) Revenue Recognition:**

- a) Revenue from sales of Land / Plot are recognised upon transfer of all significant risk and rewards of ownership of such real estate property, as per terms of the contracts entered into with buyers, which generally coincides with the timing of the sales contracts / agreements.
- b) Other 'Income is accounted on accrual basis except where the receipt of income is uncertain.
- c) Dividend is recognised when the shareholders right to receive payment is established at the Balance Sheet date.

**3) Fixed Assets:**

Fixed assets are stated historical cost less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

**4) Depreciation:**

Depreciation on fixed assets are provided for in accordance with schedule XIV of the Companies Act, 1956 on the straight line method. Depreciation on addition/deduction during the year has been provided on pro-rata basis.

**5) Investment:**

Investment are classified as Long-term Investments and valued at cost. Provision for decline, in the value of investments is made wherever the decline is other than of a temporary nature.

**6) Inventories: Valued at lower of cost or net realisable value.****7) Accounting for taxes on income:**

Provision for current tax is computed as per 'Total Income' returnable under the Income Tax Act, 1961. Provision for Fringe Benefit Tax (FBT) is computed as per provisions of the Income Tax Act, 1961. Deferred tax is recognised for all timing 'differences being the difference between taxable income and accounting income that originate in one 'period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not 'recognised unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## 8) Earning Per Share:

Earning Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

## II) NOTES ON ACCOUNTS

## 1) Contingent Liabilities not provided for:

PARTICULARS	31.03.2009 Rs.	31.03.2008 Rs.
Guarantee issued by Bank	1,050,000.00	5,00,000.00

## 2) Managerial Remuneration:

Details of remuneration of Managing Director and Whole time Director are as follows:

PARTICULARS	31.03.2009 Rs.	31.03.2008 Rs.
Directors Remuneration	9,00,000.00	4,12,000.00

## 3) Deferred Tax:

The Company estimates deferred tax assets/ liabilities using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year.

Deferred tax liability for the year aggregating to Rs.49300/- has been recognised in Profit & Loss Account.

4) Capital commitment Rs. NIL. (Previous Year Rs. NIL)

5) Earning in foreign currency Rs. NIL. (Previous Year Rs. NIL)

6) Expenditure in foreign currency Rs. NIL. (Previous Year Rs. NIL)

7) The management of the Company is of the opinion that the decline in the market value of its investments is temporary in nature and hence has valued the investment on "cost" basis. No provision has been made for the difference between Cost and market value of the Investments.

## 8) Earning Per Share:

Computation of earning per share is as under:

PARTICULARS	MARCH 31, 2009	MARCH 31, 2008
Net profit / (loss) after tax for the year (Rs.)	167,018.00	8,155,880.00
Equity shares outstanding as at the year end	7300400	7300400
Weighted average number of shares used as denominator for calculating basic earnings per share	7300400	3530537
Nominal value per share (Rs.)	10	10
<b>Earnings per share:</b>		
Basic & Diluted (Rs.)	0.02	2.30

- 9) As the company is not manufacturing any items, the additional information pursuant to part II - B of Schedule VI of the Companies Act, 1956 has not been furnished.
- 10) The Company has not made any provisions towards gratuity and other retirement benefits as no provision is required to be made in view of the fact that none of the employees have put in required number of years of service with the company.

**11) Payment to Auditors**

PARTICULARS	FOR THE YEAR ENDING 31.03.09 Rs.	FOR THE YEAR ENDING 31.03.08 Rs.
Audit fee	100,000.00	40,000.00
Taxation matters	—	10,000.00
Other Services	400,000.00	—
<b>Total</b>	<b>500,000.00</b>	<b>50,000.00</b>

- 12) In the opinion of Board, Current Assets, Loans & Advances are approximately of value which are stated in the Balance Sheet if realised in the ordinary course of business.
- 13) The figures of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and reconciliation, wherever required.

**14) RELATED PARTY DISCLOSURES:**

Information on related party transactions as required by Accounting Standard -18 for the year ended 31st March, 2009 are as follows:

**A) List of Related Parties :**

Key Management Personnel	Designation
1) Mr. Sunil Jain	Managing Director
2) Mr. Mukesh Jain	Wholetime Director
3) Mr. Naveen Jain	Wholetime Director

Other Related Parties (Enterprise owned or significantly influenced by Key Management Personnel:)

- 1) Shree Vrajraj Developers Pvt. Ltd.
- 2) Navkar Finvest Ltd.

**B) Transaction with the Related Parties :**

Description of the Nature of transaction	Description of the Relationship	Related Party	Amount Rs.
Director's Remuneration	Key Management Personnel	Mr. Sunil Jain	3,00,000.00
		Mr. Mukesh Jain	3,00,000.00
		Mr. Naveen Jain	3,00,000.00

- 15) The Company did not have any transactions with Small Scale Industrial ('SSI') Undertakings during the year ended March 31, 2009 and hence there are no amounts due to such undertakings. The identification of SSI undertakings is based on the management's knowledge of their status.

As per information and explanations to management there are no micro, small and medium enterprises as defined in Micro, Small and medium Enterprise Development Act, 2006 to who company owes and dues.

- 16) The company operates only in one segment hence the requirement of segment reporting pursuant to AS 17 issued by the Institute of Chartered accountants of India are not applicable.
- 17) Previous Year's figures have been regrouped and reclassified wherever necessary to confirm with current year's classification.

As Per our Report of even date attached

For **Khandelwal and Khandelwal Associates**  
Chartered Accountants

For and on behalf of the Board

(Durgesh Khandelwal)  
Partner  
M.NO. 077390

Sunil Jain  
Managing Director

Mukesh Jain  
Wholetime Director

Place : Mumbai  
Date : 30.06.2009

**Additional Information as required under part IV of schedule VI to the Companies Act, 1956**

**Balance Sheet Abstract and Company's General Business Profile:**

**(I) REGISTRATION DETAILS :**

CIN No.	L67190MH1993PLC075295
State Code	11
Balance Sheet Date	31/03/2009

**(II) CAPITAL RAISED DURING THE PERIOD (AMOUNT IN Rs.)**

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

**(III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs.)**

Total Liabilities	:	162,022,372.00
Total Assets	:	162,022,372.00

**Sources of Funds**

Paid up capital	:	73,004,000.00
Share Application Money	:	NIL
Reserve & Surplus	:	76,751,284.00
Secured Loans	:	1,113,315.00
Unsecured Loans	:	11,104,073.00
Deferred Tax Liability	:	49,700.00

**Application of Funds**

Net Fixed Assets	:	1,902,866.00
Investments	:	27,321,499.00
Net Current Assets	:	126,213,099.00
Misc. Expenditure	:	NIL
Accumulated Losses	:	6,584,908.00

**(IV) PERFORMANCE OF COMPANY ( AMOUNT IN Rs.)**

Turnover (Total Income)	:	3,819,262.00
Total Expenditure	:	3,492,177.00
Profit/(Loss) before Tax	:	327,085.00
Profit/(Loss) after Tax	:	167018.00
Earning per Share		
Basic & Diluted	:	0.02
Dividend Rate (%)	:	NIL

**(V) GENERIC NAMES OF THREE PRINCIPAL SERVICES OF COMPANY:**

(AS PER MONETARY TERMS)

Item Code No. (ITC Code)	:	Not Applicable
Service Description	:	Real Estate Development

For and on behalf of the Board

**Sunil Jain**  
Managing Director

**Mukesh Jain**  
Wholetime Director

Place : Mumbai  
Date : 30.06.2009

# SHRI KRISHNA DEVCON LIMITED

Regd. Off.: 414, 4<sup>th</sup> Floor, Crystal Paradise The Mall, Off Veera Desai Road,  
Andheri (W), Mumbai 400 053

## ATTENDANCE SLIP

PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE. Members are requested to bring their copy of the Annual Report to the Meeting.

Name of the Attending Member \_\_\_\_\_  
(In Block Letters) (Surname) (First Name) (Middle Name)

Name of the Proxy \_\_\_\_\_  
(To be filled in if the Proxy (Surname) (First Name) (Middle Name)  
attends instead of the Member)

Folio Number \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I / We hereby record my / our presence at the 15<sup>th</sup> Annual General Meeting of the Company held on Saturday, 26<sup>th</sup> September, 2009 at 11:30 A.M. at Registered Office of the Company.

Signature of the Member/Proxy\*

\*Strike out whichever is not applicable

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## PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members  
of SHRI KRISHNA DEVCON LIMITED hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my / our Proxy to attend and vote for me / us on my / our behalf at the  
15<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Saturday, 26<sup>th</sup> September, 2009 at 11:30 A.M.  
at Registered Office of the Company and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Signature \_\_\_\_\_

Affix a  
Re. 1/-  
Revenue  
Stamp

## FOR OFFICE USE ONLY

PROXY NO :

FOLIO NO :

NO. OF SHARES:

### Notes:

1. The form should be signed across the stamp as per specimen signature.
2. The Proxy Form duly completed, stamped and signed must be deposited at the Registered Office of the Company or at the office of the Company's Registrars & Transfer Agents, not less than 48 hours before the time of holding the Meeting.

Blank



*If undelivered, please return to,*



**Registered Office**

414, 4th Floor, Crystal Paradise The Mall, Off Veera Desai Road, Andheri (West), Mumbai – 400 053