

**BOARD OF DIRECTORS**

Mr. Sunil Jain
Mr. Mukesh Jain
Mr. Naveen Jain
Mr. A. K. Sethi
Mr. Dinesh Joshi
Mr. P. D. Bairagi

Managing Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Independent Director

AUDIT COMMITTEE

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

Chairman

REMUNERATION COMMITTEE

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

Chairman

**SHAREHOLDERS / INVESTORS
GRIEVANCE COMMITTEE**

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

Chairman

FINANCE COMMITTEE

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

Chairman

BANKERS

Vijaya Bank
Canara Bank
State Bank of India
Axis Bank
Oriental Bank of Commerce
City Bank
Dena Bank
ING Vyasya

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
Tel.: 022-2851 5606 / 2851 5644
E-mail : shrikrishnadevcon@sharexindia.in

REGISTERED OFFICE

414, 4th Floor, Crystal Paradise The Mall,
Off Veera Desai Road, Andheri (West),
Mumbai-400 053. Tel. : 022-6710 1899
E-mail : shrikrishnaelectra@hotmail.com

REGIONAL OFFICE

M-1-2, Starlit Tower
29, Y. N. Road, Indore - 452 001
Tel. : 0731-4041485



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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, Sharex Dynamic (India) Private Limited by sending e-mail to

shrikrishnadevcon@sharexindia.in



"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.

Notice

Dear
Shareholders

Your Directors
have pleasure in
presenting the
17th Annual Report
along with
Audited Accounts
of the Company
for the year ended
31st March, 2011.

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of SHRI KRISHNA DEVCON LIMITED will be held on Wednesday, the 21st day of September, 2011 at 11.30 A.M. at the Registered office of the Company at 414, 4th 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 2011 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. Dinesh Joshi, 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. Dinesh Joshi as the Independent Director of the Company liable to retire by rotation.”

3. To appoint a Director in Place of Mr. Mukesh Jain, 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. Mukesh Jain as the Director of the Company liable to retire by rotation.”

4. 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:

5. To consider and if thought fit, to pass with or without modification (s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 19B, 269, 309, 310 and 311 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company and in partial modification of the Resolutions passed earlier in respect of reappointment of and payment of remuneration to Mr. Sunil Jain, the Managing Director of the Company, and subject to any approvals, consents, permissions or sanction of the Central Government, as may be required and which may be agreed to and accepted by the Board of Directors of the Company (herein after referred to as "Board" which expression shall include any committee of the Board), the consent of the Company be and is hereby accorded for the increase in the remuneration of Mr. Sunil Jain, the Managing Director of the Company with effect from 1st October 2011 on the following terms, conditions and remuneration as approved by the Remuneration Committee of the Board of Directors of the Company:

Details of remuneration are:

Salary: Rs.1,50,000 per month.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any

financial year, the aforesaid remuneration payable to Mr. Sunil Jain shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT all other terms of appointment of Mr. Sunil Jain, the Managing Director, as approved by the members in earlier resolution dated 13.04.2010, shall remain unaffected.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide breakup of the remuneration within the above said maximum permissible limit and in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company."

By order of the Board of Directors

Sunil Jain
Managing Director

Place: Mumbai
Date: 12.08.2011

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. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. 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 INE997I01012. And Sharex Dynamic (India) Private Limited is the Registrar and Share transfer Agents of the Company.
5. The register of Members and the share transfer books of the Company shall remain closed from 14th September, 2011 to 21st September, 2011 (both days inclusive) for the purpose of the Annual general Meeting.
6. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Share Transfer Agent, Sharex Dynamic (India) Private Limited.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company/Share Transfer Agent, Sharex Dynamic (India) Private Limited, for consolidation into a single folio.
10. Members are requested to:
 - Intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts and holding shares in physical form are requested to advise any change of address immediately to the Company / Share Transfer Agent, Sharex Dynamic (India) Private Limited.;
 - 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 downloaded from the website of the Ministry of Company Affairs ;(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.
11. 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.
12. 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.

13. 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 5:

Mr. Sunil Jain, Managing Director of the Company had been re-appointed for a period of 03 (Three) years commencing from November 1st, 2009 on the remuneration determined by the Remuneration Committee of the Board of Directors.

Mr. Sunil Jain is a commerce graduate. He has more than 20 years experience in real estate, manufacturing and trading of Nutritional food products.

The above said director of the Company is looking after overall business operations of the company. Looking into his involvement and whole efforts for

the growth and success of the Company and the trend for managerial remuneration in the industries, the Board considered that the remuneration payable to the above said director is still less than generally paid in other similar size companies.

Looking into the expanded business activities, it has been considered that the remuneration being paid to above said director is inadequate and recommended for increase in his remuneration w.e.f. 01st October, 2011 for the remaining part of his tenure.

The Board recommends the resolution for your approval. Mr. Sunil Jain, Mr. Mukesh Jain and Mr. Naveen Jain all are related to each other may be deemed to be concerned or interested in the aforesaid resolution.

By order of the Board of Directors

Sunil Jain
Managing Director

Place: Mumbai
Date: 12.08.2011

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414, 4th Floor,
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Off Veera Desai Road,
Andheri (W), Mumbai - 400 053

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shrikrishnadevcon@sharexindia.in

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. Dinesh Joshi
Date of Birth	26.11.1941
Date of Appointment	01.09.2007
Expertise in functional area	Accounts
Other Directorship	Nil
Other Committee Memberships	Nil
Shareholding	Nil

Names of Directors	Mr. Mukesh Jain
Date of Birth	07.11.1971
Date of Appointment	09.08.2007
Expertise in functional area	Accounts and Construction Work
Other Directorship	01
Other Committee Memberships	Nil
Shareholding	1083100

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Seventeenth Annual Report for the year ended 31st March 2011.

Financial results:

(₹ In Lacs)

Particulars	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Total Income	1069.30	359.77
Total Expenditure	972.46	351.10
Profit (Loss) Before Taxation	96.84	8.66
Less: Provision for Taxation	25.64	2.72
Profit/(Loss) After Taxation	71.20	5.94
Balance brought forward from previous year	(59.91)	(65.85)
Balance carried to Balance Sheet	11.29	(59.91)

Performance:

During the year under review, the Company recorded a turnover of ₹ 1069.30 Lacs as compared to ₹ 359.77 Lacs recorded during the previous year. The Company recorded a net profit after tax of ₹ 71.20 Lacs as compared to profit of ₹ 5.94 Lacs during the previous year.

Dividend:

The strength of your Company lies in identification, execution and successful implementation of the projects in the real estate space. To strengthen the long-term prospects and ensuring sustainable growth in assets and revenue, it is important for your Company to evaluate various opportunities in the different business verticals in which your Company operates. Your Company currently has several projects under implementation and continues to explore newer opportunities. Your Board of Directors, considers this be in the strategic interest of the Company and believe that this will greatly enhance the long-term shareholders' value. In order to fund these projects in its development, expansion and implementation stages, conservation of funds is of vital importance. Therefore, your Directors have not recommended any dividend for the financial year 2010-11.

Change in Share Capital:

To meet out the funds requirement for real estate business, Company has increased its authorized

share capital from ₹ 16.00 Cr. to ₹ 28.00 Cr. by way of Postal Ballot on 12th May, 2011 and Company has issued 1,20,00,000 Warrants convertible into equity shares of ₹ 10/- each at a premium of ₹ 10/- per share on 25th May, 2011, to the promoters and / or bodies corporate(s) or others. Warrants will convert in Equity Shares before expiry of 18 months from the date of allotment of the warrants. After conversion paid up and subscribed capital of Company would be increase from ₹ 16.00 Cr. to ₹ 28.00 Cr.

Listing:

As on date all the 1,60,00,000 Equity Shares of the company are listed on the Bombay Stock Exchange Limited (BSE). The Listing fees have been paid to the Bombay Stock Exchange Limited (BSE) for the year 2011-12.

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.

Cash Flow Statement:

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the cash flow statement for the year ended 31st March, 2011 is annexed hereto.

Directors:

Mr. Mukesh Jain and Mr. Naveen Jain, Directors of the Company have been resigned from the office of the Whole-time Director of the Company

w.e.f. 31.07.2011 and held office as Non-Executive Director in the Company.

Except for Managing Director, the other Directors of the Company are liable to retire by rotation, One-third of the said Directors are liable to retire every year and if eligible, offer themselves for re-appointment. Accordingly Mr. Dinesh Joshi and Mr. Mukesh Jain retire by rotation in accordance with the provisions of Articles of Association of the Company and being eligible, offers themselves 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. Dinesh Joshi and Mr. Mukesh Jain.

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 the 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 Earnings 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

Sunil Jain	Mukesh Jain
Managing Director	Director

Place : Mumbai
Date : 12.08.2011

Management Discussion & Analysis

Management Discussion and Analysis dealing with the Company's objectives and expectations contains "forward looking statement" that lie within the ambit and meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied, depending upon global and Indian demand-supply conditions, changes in Government regulations, tax regimes and economic developments within India and overseas. The Board of Directors presents hereunder an analysis of performance of the Company for the year 2010-11 and its outlook for the future. This outlook is based on assessment of the current business environment and government policies. The changes in economy, related sectors and other development are likely to cause variation in this outlook.

INDIAN ECONOMY AND INDUSTRY OVERVIEW:

Despite the global meltdown effect of last two years, India is expected to be the second fastest growing economy in the Asia Pacific Region. The productivity growth rate of Indian economy is estimated to be around 8% and it is expected to sustain until 2020. Infrastructure integrated with real estate development has been the backbone of such sustained growth and continues to be the focal point for our economy.

Industry Structure and Development:

Infrastructure and real estate form the backbone of the country's progress and are critical drivers of its economic development. The housing sector alone contributes to 5-6% of the country's GDP. The real estate sector is the second largest employer after agriculture. During the last fiscal, the real estate sector witnessed a pick-up in demand, driven by volume growth in the affordable segment, which was helped by the improving economy and the IT/ITES sector, as well as visible signs of a recovery in the commercial segment.

Opportunities:

India, the second most populated country has emerged as one of the fastest growing economies. With political consensus in reforms having been established and with a stable democratic environment, clear policies and regulatory

frameworks are being put in place. Thus, the country scores high on several key factors such as demand potential, revenue potential, a stable political environment and optimal risk allocation.

Key growth drivers and optimism for the real estate sector encompass a vibrant economy, better employment prospects, improving salary structures, improving sentiment among potential buyers, potential for increasing urbanization and favorable demographics.

Challenges, Risks and Concerns:

Key risks synonymous to the real estate industry include the global recessionary trend, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as land, cement, steel and labour, coupled with market fluctuations.

Company is adequately equipped to face and mitigate any such adverse situation. The Company does not apprehend any inherent risk in the real estate industry in the long run, with the exception of certain primary concerns that have afflicted the progress of real estate industry in general, like:

- Restrictive legislation and related adverse changes, if any, in governmental policies relating to real estate.
- Limited investment from the organised sector.
- Real estate is one of the most overburdened tax segments in the country.
- Rising inflation.
- High interest rate.
- Volatile global economic environment.

As a part of the overall risk management strategy, the Company consistently insures its assets and generally follows a conservative financial profile by following prudent business practices.

Future Outlook:

India has fast emerged as a land of opportunities in Real Estate sector. In this environment of ever increasing need for infrastructure coupled with various State and Central Government initiatives your Company is confident of maintaining its growth rate.

The Company is developing residential as well as commercial projects mainly in Indore (Madhya Pradesh) and Mumbai (Maharashtra).

Projects:

Your Company has many running multistoried and Bungalow projects named as Hilton Tower, Orchid Residency, Solitaire Park, Silver Oak, Mahaveer Kripa and Shri Krishna Eco-Town and also started some plotting project named as Shri Krishna Avenue, Shri Krishna Park, Shri Krishna Enclave, Shri Krishna Corridor and Shri Krishna Paradise in Indore (M.P.). Your Company has also entered into a joint venture named as "M/S AVANI BUILDCON" for a commercial project at Ghatkopar, Mumbai.

Your Company's vision is to create a company that in turn delivers value to its customers, shareholders and the society, developing quality assets across the country.

Material Developments in Human Resources:

There are not material developments in human resources.

Internal control systems and their adequacy:

Your Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from

unauthorised use or disposal and comm transactions are authorised, recorded and re correctly. The internal control is supplemented by an extensive programme of internal, external and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for presenting financial information and other data and maintaining accountability of assets.

Information Security:

Your Company accords great importance to the security of its information assets and has implemented requisite security controls and checks. Adequate storage and back up system is in place to ensure security and availability of data at all time.

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. Important developments that could affect the Company's operations include a downtrend in Indian economy, significant changes in political and economic environment in India and abroad, tax laws, interest rates, duties, litigation and labour reactions.

Report on Corporate Governance

(PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED ON 31ST MARCH 2011)

Corporate Governance essentially is set of standards, which aims to improve the Company's efficiency, effectiveness and social responsibility. The concept emphasizes on transparency, accountability, independence and integrity of the management, with focus on public interest in particular. It further inspires and strengthens investors' confidence by ongoing commitment to overall growth of the Company.

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing agreement with stock exchanges, but also several voluntary practices at a superior level of business ethics, effective supervision and enhancement of shareholders' value.

The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting shareholders trust while maximizing long-term corporate value.

Our philosophy on Corporate Governance begins with our Board of Directors.

- Half of the Board of Directors comprises of Independent Directors.
- A Non- Executive Director chairs the Audit Committee.
- The Board has established terms of reference for its operation and the operation of Audit Committee in line with clause 49 of the listing agreement and section 292A of the Companies Act, 1956.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement, the details are set out as under: ~

1. BOARD OF DIRECTORS:

A) Composition:

The current policy is to have an appropriate mix of executive, non-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 six directors, three of whom are non-executive independent directors thus making the 50% of the Board members as independent.

The Company has one Executive Director on the Board, consisting of Managing Director, Two Non-Executive Directors & Three other Independent 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 adequately met at Shri Krishna Devcon Limited. There are five non-executive directors and three out of them are independent as defined by clause 49 which ensures a good blend of executive, non-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 2010-11, the Board of Directors met Six (6) times on the following dates: April 27, 2010, May 29, 2010, August 14, 2010, November 13, 2010, February 01, 2011 and February 14, 2011. The last Annual General Meeting of the Company was held on 20th September 2010.

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	1083100	1	Nil	Nil	6	6	Yes
Mr. Mukesh Jain**	Director	Non-Executive	1083100	1	Nil	Nil	6	5	Yes
Mr. Naveen Jain**	Director	Non-Executive	1083100	Nil	Nil	Nil	6	6	Yes
Mr. P. D. Bairagi	Director	Non-Executive Independent	Nil	Nil	Nil	Nil	6	4	No
Mr. Dinesh Joshi	Director	Non-Executive Independent	Nil	Nil	Nil	Nil	6	4	No
Mr. A. K. Sethi	Director	Non-Executive Independent	Nil	Nil	Nil	Nil	6	4	No
Mr. Manish Bansal*	Director	Non-Executive Independent	Nil	Nil	Nil	Nil	6	2	No

*Resigned w.e.f. 20th October, 2010.

** Resigned from the office of Whole Time Directorship of the Company w.e.f. 31st July 2011 but still they are working as Non-Executive Directors of the Company.

Notes:

- 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.
- 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 any memberships and Chairmanships in other Companies.
- 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.
- 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.

1. 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.

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	Non-Executive 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	Committee Strength	No. of Members Present
1	29th May, 2010	3	3
2	14th August, 2010	3	3
3	13th November, 2010	3	3
4	14th February, 2011	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 was constituted on 28th October, 2009 to recommend / review remuneration of the Managing Director and Whole Time Directors, based on their performance and defined assessment criteria.

Meetings:

The remuneration committee has not held any meeting during the financial year ended March 31, 2011.

The function of the Remuneration Committee includes recommendation of appointment of Managing Director /Whole-time Director(s), evaluation of the performance of the Whole-time Directors(s)/Managing Director and recommendation to the Board of the remuneration to the Whole-time Directors(s) /Managing Director 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:

The remuneration package of the Company is based on following aspects:

1. Employment scenario.
2. Remuneration package of the industry.
3. Responsibility on individual personnel.
4. Performance of the Company and individual performance.

Details of Remuneration to Directors for 2010-11:**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 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. Agreement with Managing Director is for a period of Three years and renewed thereafter, on mutually accepted terms and conditions. Agreements with the Whole-time Directors of the Company have been cancelled w.e.f. 31.07.2011 due to their resignation from the office of Whole-time Directors of the Company.

The details of remuneration paid to the Directors during the year under review from 01.04.2010 to 31.03.2011 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*	Director	3,00,000
3	Mr. Naveen Jain*	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

* Mr. Mukesh Jain and Mr. Naveen Jain have been resigned from the office of Whole-time Director w.e.f 31.07.2011.

**Resigned w.e.f 20.10.2010.

(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	Member	Executive Director

Terms of reference:

The Committee normally meets as and when required. The Committee, *inter alia*, approves and issues duplicate certificate and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into the 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 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.

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.O. 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 as on 1st April 2010	:	NIL
No. of complaints received & resolved during 01.04.2010 to 31.03.2011	:	02
No. of complaints pending as on 31.03.2011	:	NIL

(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.

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
2009-10	414, 4th Floor, Crystal Paradise The Mall, Off Veera Desai Road, New Link Road, Andheri (W), Mumbai - 400 053	September 20, 2010 01.00 P.M.	Nil
2008-09	414, 4th Floor, Crystal Paradise The Mall, Off Veera Desai Road, New Link Road, Andheri (W), Mumbai - 400 053	September 26, 2009 11.30 A.M.	Nil
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

All special resolutions set out in the notice for the year 2007-08 and 2008-09 were passed by the shareholders at the respective with requisite majority.

5. 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. 15 of the notes on accounts, in schedule 'Q' 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 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.

6. 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 prescribed period from the end 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.

7. CEO/CFO CERTIFICATION:

Managing Director of the Company has given certification on financial reporting and internal controls to the Board in terms of Clause 49.

8. 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:

Wednesday, 21st September, 2011
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 2010-11 (Tentative):

Financial Reporting for the quarter ending June 30, 2011	Second Week of August, 2011
Financial Reporting for the quarter ending September 30, 2011	Second Week of November, 2011
Financial Reporting for the quarter ending December 31, 2011	Second Week of February, 2012
Financial Reporting for the quarter ending March 31, 2012	Second Week of May, 2012

e. Dates of Book Closure:

Wednesday, 14th September, 2011 to
Wednesday 21st September, 2011 (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 2011-12 to BSE.

h. Market Price Data:

Period	Bombay Stock Exchange (BSE) (In ₹ Per share)	
	Month's High Price	Month's Low Price
April, 2010	23.10	14.54
May, 2010	21.20	16.00
June, 2010	23.05	15.40
July, 2010	29.50	20.00
August, 2010	26.80	20.15
September, 2010	23.00	15.80
October, 2010	24.95	15.60
November, 2010	23.70	17.80
December, 2010	22.40	17.50
January, 2011	21.30	15.00
February, 2011	19.65	13.85
March, 2011	22.00	17.50

Source: BSE website

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 AgentsUnit - 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 : shrikrishnadevcon@sharexindia.in

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 RTA 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, 2011.

Public
45.84%



Indian
Promoters
54.16%

k. Share Ownership Pattern as on March 31, 2011.

SL. NO.	CATEGORY	NO. OF SHARES HELD	% OF SHARE CAPITAL
A	PROMOTERS HOLDING	-	
1	Promoters		
	-Indian Promoters	8665470	54.16
	-Foreign Promoters	Nil	Nil
2	Persons acting in concert	Nil	Nil
	Sub-total (A)	8665470	54.16
B	NON-PROMOTERS HOLDINGS		
3.	Institutional Investors		
a.	Mutual Funds and UTI	Nil	Nil
b.	Banks, Financial Institute	Nil	Nil
c.	FIs	Nil	Nil
d.	Others	Nil	Nil
	Sub-total	Nil	Nil
4.	Non-Institutional Investors		
a.	Bodies Corporate	6252735	39.08
b.	Individuals Holdings	1081695	6.76
c.	NRI Holdings	400	00.00
d.	Any others	Nil	Nil
	Sub-total (B)	7334930	45.84
C.	Held by Custodian against Dep-Receipts	Nil	Nil
	Sub-total (C)	Nil	Nil
	Grand Total (A+B+C)	16000000	100.00

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

Pursuant to section 81 (1A) of the Companies Act, 1956 and Guidelines for Preferential Issues

contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and all other applicable laws, Company has allotted 1,20,00,000 Warrants convertible into equity shares of ₹ 10/- each at a premium of ₹ 10/- per share on May 25, 2011 to the promoters and / or bodies corporate(s) or others on preferential basis. Warrants will convert in Equity Shares before expiry of 18 months from the date of allotment of the warrants. After conversion paid up and subscribed capital of Company will increase from ₹ 16,00,00,000 to ₹ 28,00,00,000.

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
31.03.11	15352750	16000000	95.95 %

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 COSL.

- n.** The Company has allotted 86,99,600 Equity Shares on account of conversion of warrants issued on preferential basis during the financial year 2010-11.
- 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 carries out Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (COSL) 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 COSL) 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 : shrikrishnadevcon@sharexindia.in

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

Declaration – Code of Conduct

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 2010-11.

Sunil Jain
Managing Director

Place: Mumbai
Date: 12.08.2011

Auditor's Certificate on Corporate Governance

To
The Members of,
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, 2011 as stipulated in clause 49 of the Listing Agreement with 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
Firm Registration No. 008389C

Durgesh Khandelwal
Partner
Membership No. 077390

Place: Mumbai
Date: 12.08.2011

Auditors' Report

TO,
The Members,
Shri Krishna Devcon Limited
Mumbai

1. We have audited the attached Balance sheet of Shri Krishna Devcon Limited, Mumbai ("the Company") as at 31st March, 2011 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), 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.
4. 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, and the Rules framed there under to the extent applicable.
- e) On the basis of the written representations received from the Directors as on 31.03.2011 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31.03.2011 from being appointed as a director of the Company in terms of clause (g) of sub section (1) of section 274 of The Company 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 2011;
 - 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
Firm Registration No. 008389C

(Durgesh Khandelwal)
Partner
M.No. 077390

Place : Mumbai
Date : 30.05.2011

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 portions of fixed 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 five parties covered in the register maintained under section 301 of the Companies Act,

1956. The maximum amount involved during the year was ₹ 21,311,825/- and the year end balance of loans taken from such parties was ₹ 21,311,825/-.

- 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 and provisions of services. 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 58 A, 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 has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

11. Dues to Financial Institutions/Banks:-

The company has not defaulted in repayment of dues to any Financial Institution or Bank. The company has no debenture holders.

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 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 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 applied the term loans obtained during the period for the purpose for which the said term loans were obtained.

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-:

The Company has made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion, the price at which Shares have been issue is not prejudicial to the interest of 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
Firm Registration No. 008389C

(Durgesh Khandelwal)
Partner
M.No. 077390

Place: Mumbai
Date : 30.05.2011

Balance Sheet As At 31st March, 2011

PARTICULARS	SCHEDULE	AS AT 31ST MARCH, 2011 ₹	AS AT 31ST MARCH, 2010 ₹
SOURCES OF FUND:			
Shareholder's Funds	A	160,000,000.00	73,004,000.00
Reserve & Surplus	B	120,542,512.57	70,760,265.23
TOTAL		280,542,512.57	143,764,265.23
Loan Funds :			
Secured Loans	C	2,784,958.74	2,953,694.88
Unsecured Loans	D	54,524,797.97	21,812,972.97
TOTAL		57,309,756.71	24,766,667.85
Deferred Tax Liability		126,148.00	91,667.00
TOTAL		337,978,417.28	168,622,600.08
APPLICATION OF FUNDS:			
Fixed Assets:	E		
Gross Block		3,277,213.00	3,221,664.00
Less: Depreciation		625,652.00	321,764.00
Net Block		2,651,561.00	2,899,900.00
Capital work-in-progress		-	-
TOTAL		2,651,561.00	2,899,900.00
Investments	F	59,618,284.11	15,001,358.11
Current Assets, Loans & Advances:			
a) Inventories	G	268,981,206.00	100,940,117.00
b) Sundry Debtors	H	1,313,853.00	2,348,733.00
c) Cash and Bank Balances	I	6,670,056.03	18,158,596.47
d) Loans and Advances	J	47,573,173.00	37,954,907.00
		324,538,288.03	159,402,353.47
Less: Current Liabilities & Provisions			
a) Liabilities	K	47,417,843.86	8,452,217.50
b) Provisions		1,411,872.00	228,794.00
		48,829,715.86	8,681,011.50
Net Current Assets		275,708,572.17	150,721,341.97
TOTAL		337,978,417.28	168,622,600.08
Notes to the Accounts & Significant Accounting Policies	Q		

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

Firm Registration No. 008389C

(Durgesh Khandelwal)

Partner

M.No. 077390

Place : Mumbai

Date : 30.05.2011

For and on behalf of the Board

Sunil Jain

Managing Director

Place : Mumbai

Date : 30.05.2011

Mukesh Jain

Wholetime Director

Profit and Loss Account For The Year Ended 31st March, 2011

PARTICULARS	SCHEDULE	YEAR ENDED 31ST MARCH, 2011 ₹	YEAR ENDED 31ST MARCH, 2010 ₹
INCOME			
Income from Operation	L	104,092,759.00	35,277,320.00
Other Income	M	2,837,253.91	699,903.95
TOTAL		106,930,012.91	35,977,223.95
EXPENDITURE			
Cost of Sales	N	92,333,335.00	31,536,048.00
Operating and Administrative Expenses	O	3,557,888.45	3,145,275.01
Finance Expenses	P	1,050,501.12	199,527.71
Depreciation		303,888.00	229,824.00
TOTAL		97,245,612.57	35,110,674.72
Profit Before Tax		9,684,400.34	866,549.23
Less: Provision for Tax:			
Current Tax		2,919,775.00	228,794.00
Deferred Tax		34,481.00	41,967.00
Add : Tax Adjustment for earlier years		390,402.00	(1,899.00)
Profit / (Loss) after Tax		7,120,546.34	593,889.23
Balance brought forward from previous year		(5,991,018.77)	(6,584,908.00)
Balance Carried forward to Balance Sheet		1,129,527.57	(5,991,018.77)
Earning Per Share- Basic & Diluted Rs.		0.81	0.08
Notes to the Accounts & Significant Accounting Policies	Q		

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
Firm Registration No. 008389C

(Ourgesh Khandelwal)
Partner
M.No. 077390

Place : Mumbai
Date : 30.05.2011

For and on behalf of the Board

Sunil Jain
Managing Director

Mukesh Jain
Wholetime Director

Place : Mumbai
Date : 30.05.2011

Cash Flow Statement For The Year Ended March 31, 2011

PARTICULARS	YEAR ENDED 31ST MARCH, 2011 ₹	YEAR ENDED 31ST MARCH, 2010 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	9,684,400.34	866,549.23
Adjustment for:		
Add: Depreciation	303,888.00	229,824.00
Add: Interest and Finance Charges	1,050,501.12	199,527.71
Less: Profit from Partnership Firm	(222,699.00)	142.00
Less: Interest Received	(2,614,554.91)	(458,945.95)
Less: Misc. Income	-	(241,100.00)
Operating cash flow before changes in working capital	8,201,535.55	595,996.99
Adjustments for:		
(increase)/decrease in inventories	(168,041,089.00)	(17,607,375.00)
(increase)/decrease in sundry debtors	1,034,880.00	(2,348,733.00)
(increase)/decrease in loans and advances	(10,588,403.00)	4,937,722.00
Increase/(decrease)in current liabilities and provisions	38,965,626.36	513,133.50
Cash generated from / (used in) operations	(130,427,450.09)	(13,909,255.51)
Taxes Paid (net of refunds)	(376,158.00)	(366,989.00)
Net cash generated by operating activities (A)	(130,803,608.09)	(14,276,244.51)
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(55,549.00)	(1,226,858.00)
Investment in Partnership Firm	(44,616,926.00)	12,320,140.63
Profit from Partnership Firm	222,699.00	(142.00)
Misc. Income Received	-	241,100.00
Interest Received	2,614,554.91	458,945.95
Net cash generated by investing activities (B)	(41,835,221.09)	11,793,186.58
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses	(1,050,501.12)	(199,527.71)
Proceeds From issue of Equity Share Capital	86,996,000.00	-
Proceeds From Security Premium on Equity Shares Capital	43,498,000.00	-
Share issue expenses	(836,299.00)	-
Increase / (Repayment) of Secured Loans	(168,736.14)	1,840,379.88
Increase / (Repayment) of Unsecured Loans	32,711,825.00	10,708,900.23
Net cash generated by financing activities (C)	161,150,288.74	12,349,752.40
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(11,488,540.44)	9,866,694.47
Cash and cash equivalents at the beginning of the year	18,158,596.47	8,291,902.00
Cash and cash equivalents at the end of the year	6,670,056.03	18,158,596.47
Note :		
Cash and cash equivalents at the year end comprise:		
1) Cash on hand	248,075.00	67,160.00
Balance with scheduled banks in:		
Current Accounts	4,701,995.23	16,521,275.58
Deposit Account	1,719,985.80	1,570,160.89
	6,670,056.03	18,158,596.47
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
Firm Registration No. 008389C

(Durgesh Khandelwal)
Partner
M.No. 077390

Place : Mumbai
Date : 30.05.2011

For and on behalf of the Board

Sunil Jain
Managing Director

Mukesh Jain
Wholetime Director

Place : Mumbai
Date : 30.05.2011

Schedule Forming Part of Balance Sheet

PARTICULARS	AS AT 31ST MARCH, 2011 ₹	AS AT 31ST MARCH, 2010 ₹
SCHEDULE "A"		
SHARE CAPITAL		
Authorised :	-	
1,60,00,000 (Previous year 85,00,000) Equity Shares of ₹ 10/- each	160,000,000.00	85,000,000.00
Issued, Subscribed & Paid-up :		
1,60,00,000 (Previous year 73,00,400) Equity Shares of ₹ 10/- each fully pad up.	160,000,000.00	73,004,000.00
TOTAL	160,000,000.00	73,004,000.00
SCHEDULE "B"		
RESERVES AND SURPLUS		
Security Premium Account	119,412,985.00	76,751,284.00
Balance brought forward	76751284.00	
Add: Received during the year	43498000.00	
Less: Share issue expenses	836299.00	
Profit & Loss Account	1,129,527.57	(5,991,018.77)
TOTAL	120,542,512.57	70,760,265.23
SCHEDULE "C"		
SECURED LOANS:		
State Bank of India (Cash Credit Hypothecation Limit) (Secured by hypothecation of stocks and receivables and equitable mortgage of the related Project property. Further secured by personal guarantee of the Managing Director and Wholetime Directors of the company)	2,452,665.00	1,819,507.00
Vehicle Loans from HDFC Bank Ltd. (Secured against the hypothecation of respective vehicle)	332,293.74	1,134,187.88
	2,784,958.74	2,953,694.88
SCHEDULE "D"		
UNSECURED LOANS:		
From Corporate Bodies	46,662,972.97	15,362,972.97
From Directors	7,861,825.00	6,450,000.00
TOTAL	54,524,797.97	21,812,972.97

Schedule Forming Part of Balance Sheet

(Amount in ₹)

SL. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.10	ADDITIONS DURING THE YEAR	DEDUCTION/ADJUSTMENT	AS AT 31.03.11	AS AT 01.04.10	FOR THE YEAR	DEDUCTION/ADJUSTMENT	AS ON 31.03.11	AS AT 31.03.11	AS AT 31.03.10
1	Computer and peripherals	80,160.00	55,549.00	-	135,709.00	20,569.00	14,576.00	-	35,145.00	100,564.00	59,591.00
2	Furniture & Fixtures	17,930.00	-	-	17,930.00	16,183.00	852.00	-	17,035.00	895.00	1,747.00
3	Air Conditioner	61,897.00	-	-	61,897.00	6,078.00	2,988.00	-	9,066.00	52,831.00	55,819.00
4	DVD Player	4,499.00	-	-	4,499.00	483.00	212.00	-	695.00	3,804.00	4,016.00
5	LCD TV	29,000.00	-	-	29,000.00	3,188.00	1,352.00	-	4,540.00	24,460.00	25,812.00
6	EPABX	7,995.00	-	-	7,995.00	861.00	376.00	-	1,237.00	6,758.00	7,134.00
7	Mobile Instruments	65,000.00	-	-	65,000.00	4,628.00	3,800.00	-	8,428.00	56,572.00	60,372.00
8	Vehicles	2,955,183.00	-	-	2,955,183.00	269,774.00	279,732.00	-	549,506.00	2,405,677.00	2,685,409.00
	Total	3,221,664.00	55,549.00	-	3,277,213.00	321,764.00	303,888.00	-	625,652.00	2,651,561.00	2,899,900.00
	Previous Year	1,994,806.00	1,226,858.00	-	3,221,664.00	91,940.00	229,824.00	-	321,764.00	2,899,900.00	1,902,866.00

Schedule Forming Part of Balance Sheet

PARTICULARS	AS AT 31ST MARCH, 2011 ₹	AS AT 31ST MARCH, 2010 ₹
SCHEDULE "F"		
INVESTMENTS		
A) UNQUOTED SHARES & SECURITIES	-	-
B) QUOTED SHARES & SECURITIES:		
288,643 (Previous Year 288,643) Equity shares of Media Matrix Worldwide Ltd. of ₹ 1/- each fully paid up	6,009,686.15	6,009,686.15
28,391 (Previous year 28,391) Equity shares of Vishal Malleables Ltd. of ₹ 10/- each fully paid up	2,444,085.37	2,444,085.37
1,285,000 (Previous Year 1,285,000) Equity shares of Mobile Telecommunications Ltd. of ₹ 1/- each fully paid up (Aggregate Market value as at 31st March, 2011 ₹ 57.07 Lacs) (Previous year ₹ 67.05 Lacs)	2,740,040.59	2,740,040.59
C) INVESTMENTS IN PARTNERSHIP FIRMS:		
Krishna Developers	4,627,760.00	-
Maa Shipra Enterprises	3,400,000.00	3,400,000.00
Shrikrishna Buildcon	4,000,000.00	-
Avani Buildcon	36,396,712.00	-
Shrikrishnaa Mewad Devcon	-	407,546.00
TOTAL	59,618,284.11	15,001,358.11
SCHEDULE "G"		
INVENTORIES :		
(Taken, Valued & certified by the Management)		
Flats for Resale	824,462.00	824,462.00
Land	43,374,989.00	64,334,219.00
Work in Progress	224,781,755.00	35,781,436.00
TOTAL	268,981,206.00	100,940,117.00
SCHEDULE "H"		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	-	2,348,733.00
Others	1,313,853.00	-
TOTAL	1,313,853.00	2,348,733.00

Schedule Forming Part of Balance Sheet

PARTICULARS	AS AT 31ST MARCH, 2011 ₹	AS AT 31ST MARCH, 2010 ₹
SCHEDULE "I"		
CASH & BANK BALANCES		
Cash in Hand	248,075.00	67,160.00
Balance with Banks		
- In current Accounts:		
with Scheduled Banks	3,557,690.50	16,429,989.58
with Others	1,144,304.73	91,286.00
- In Fixed Deposit Accounts	1,719,985.80	1,570,160.89
TOTAL	<u>6,670,056.03</u>	<u>18,158,596.47</u>
SCHEDULE "J"		
LOANS & ADVANCES		
(Unsecured, considered good)		
Advances Recoverable in cash or kind or for value to be received	30,221,685.00	28,293,282.00
Deposits with Government Authorities & others	12,515,500.00	4,215,500.00
Advance Tax & TDS	160,988.00	1,131,125.00
Others	4,675,000.00	4,315,000.00
TOTAL	<u>47,573,173.00</u>	<u>37,954,907.00</u>
SCHEDULE "K"		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	15,235,632.86	3,221,174.50
Advance from Customers	31,667,430.00	4,655,768.00
Other Liabilities	514,781.00	575,275.00
	<u>47,417,843.86</u>	<u>8,452,217.50</u>
PROVISIONS		
Income Tax (net of advance tax payments)	1,411,872.00	228,794.00
TOTAL	<u>48,829,715.86</u>	<u>8,681,011.50</u>

Schedule Forming Part of Profit and Loss Account

PARTICULARS	YEAR ENDED 31ST MARCH, 2011 ₹	YEAR ENDED 31ST MARCH, 2010 ₹
SCHEDULE "L"		
INCOME FROM OPERATIONS		
Sales	103,822,759.00	33,443,820.00
Rent	270,000.00	1,833,500.00
TOTAL	104,092,759.00	35,277,320.00
SCHEDULE "M"		
OTHER INCOME		
Interest on Fixed Deposits	124,872.91	98,945.95
Interest on Capital with Partnership Firms	2,396,712.00	-
Interest (Others)	92,970.00	360,000.00
Share of Profit/(Loss) From Partnership Firms	222,699.00	(142.00)
Misc. Income	-	241,100.00
TOTAL	2,837,253.91	699,903.95
SCHEDULE "N"		
COST OF SALES		
Opening Inventories		
- Flats for resale	824,462.00	824,462.00
- Land	64,334,219.00	82,508,280.00
- Work in Progress	35,781,436.00	-
	100,940,117.00	83,332,742.00
Add : Cost incurred during the year	260,374,424.00	49,143,423.00
Less: Closing Inventories		
- Flats for resale	824,462.00	824,462.00
- Land	43,374,989.00	64,334,219.00
- Work in Progress	224,781,755.00	35,781,436.00
TOTAL	92,333,335.00	31,536,048.00

Schedule Forming Part of Profit and Loss Account

PARTICULARS	YEAR ENDED 31ST MARCH, 2011 ₹	YEAR ENDED 31ST MARCH, 2010 ₹
SCHEDULE "O"		
OPERATING AND ADMINISTRATIVE EXPENSES		
Auditors Remuneration	150,000.00	150,000.00
Brokerage	—	21,000.00
Advertisement	365,114.00	59,235.00
Office Expenses	180,468.00	64,700.01
Rent	665,600.00	662,400.00
Salary	561,600.00	364,900.00
Telephone Expenses	86,981.45	27,386.00
Legal Expenses	99,788.00	10,000.00
Electricity Charges	77,081.00	82,410.00
Fees and Subscription	49,635.00	108,661.00
Internet Charges	5,566.00	7,335.00
Insurance Expenses	28,059.00	14,500.00
Miscellaneous Expenses	11,531.00	1,100.00
Postage Expenses	—	34,068.00
Repairs and Maintenance	—	1,973.00
Printing & Stationary	187,403.00	122,376.00
Tour and Travelling Expenses	13,505.00	165,661.00
Professional Fees	64,560.00	294,555.00
Professional Tax	2,500.00	2,500.00
Vehicle Running and Maintenance	108,497.00	50,515.00
Directors Remuneration	900,000.00	900,000.00
TOTAL	3,557,888.45	3,145,275.01
SCHEDULE "P"		
FINANCE EXPENSES		
Interest on		
- Bank Loans	697,305.00	63669.00
- Vehicle Loans	87,400.86	134299.00
- Others	944,718.86	10301.00
Bank Charges	56,431.40	154297.71
	1,785,856.12	362566.71
Less : Allocated to Projects	735,355.00	163039.00
TOTAL	1,050,501.12	199527.71

Accounting Policies and notes forming part of the Balance Sheet as at and Profit and Loss Account for the year ended 31st March, 2011.**SCHEDULE "Q"****1) 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) Use of estimates:

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimate is recognised prospectively in current and future periods.

3) Fixed assets:

Fixed assets are stated at 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) Impairment of assets:

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account.

6) 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.

7) Inventories:

- (i) Land is valued at cost. Cost includes cost of acquisition and all related costs.
- (ii) Work in progress are valued at cost. Cost includes cost of land/development rights, materials, construction, services, borrowing costs and other overheads relating to projects.

(iii) Completed project/units and trading stock are valued at lower of cost and net realisable value. Cost is determined by including cost of land/development rights, materials, services and other related overheads.

8) Revenue recognition:

(a) Revenue from real estate sales is recognised when it is reasonably certain that the ultimate collection will be made and no significant uncertainty exist regarding the amount of consideration.

Revenue from real estate development projects is recognised on the 'percentage of completion' method of accounting. Revenue is recognised in relation to sold areas only, when the stage of completion of each project reaches a significant level which is estimated to be at least 30% of the total estimated construction cost of the project. Revenue is recognised in proportion that the construction cost incurred for work performed upto the reporting date bears to the estimated total construction cost. Land costs are not included for the purpose of computing the percentage of completion.

b) Dividend is recognised when the shareholders right to receive payment is established at the Balance Sheet date.

c) Other Income is accounted on accrual basis except where the receipt of income is uncertain.

9) Borrowing costs :

Borrowing cost relating to the acquisition/construction of a qualifying asset (including real estate projects) are considered as part of the cost of the asset/project. All other borrowing costs are treated as period cost and charged to the profit and loss account in the year in which incurred.

10) Accounting for taxes on income:

Provision for current tax is computed as per 'Total Income' returnable under 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.

11) Earning Per Share:

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

II) NOTES ON ACCOUNTS

1) Contingent Liabilities not provided for:

PARTICULARS	31.03.2011 ₹	31.03.2010 ₹
Guarantee issued by Bank	4,250,000.00	4,200,000.00

2) Managerial Remuneration:

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

PARTICULARS	31.03.2011 ₹	31.03.2010 ₹
Directors Remuneration	9,00,000.00	9,00,000.00

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 ₹ 34,481/- has been recognised in Profit & Loss Account.

- 4) Determination of revenues under 'percentage of completion method' necessarily involves making estimates by the management for percentage of completion, cost to completion, revenue expected from projects, projected profit and losses. These estimates being of technical nature have been relied upon by the auditors.
- 5) Capital commitment ₹ NIL. (Previous Year ₹ NIL)
- 6) Earning in foreign currency ₹ NIL. (Previous Year ₹ NIL)
- 7) Expenditure in foreign currency ₹ NIL. (Previous Year ₹ NIL)
- 8) 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.

9) Earning Per Share:

Computation of earning per share is as under:

PARTICULARS	(Amount in ₹)	
	MARCH 31, 2011	MARCH 31, 2010
Net profit / (loss) after tax for the year	7,120,546.34	593,889.23
Equity shares outstanding as at the year end	16,000,000	73,00,400
Weighted average number of shares used as denominator for calculating basics earnings per share	8,750,333	7,300,400
Nominal value per share (₹)	10	10
Earnings per share:		
Basic & Diluted	0.81	0.08

- 10) 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.
- 11) 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.

12) Payment to Auditors

PARTICULARS	FOR THE YEAR ENDING 31.03.11 ₹	FOR THE YEAR ENDING 31.03.10 ₹
Audit fee	125000.00	125000.00
Tax Audit Fee	25000.00	25000.00
Other Services	450000.00	450000.00
Total	600000.00	600000.00

13) 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.

14) The figures of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and reconciliation, wherever required.

15) RELATED PARTY DISCLOSURES:

Information on related party transactions as required by Accounting Standard -18 for the year ended 31st March, 2011 are as follows:

List of Related Parties :

A) Key Management Personnel Designation

- 1) Mr. Sunil Jain Managing Director
- 2) Mr. Mukesh Jain Wholetime Director
- 3) Mr. Naveen Jain Wholetime Director

B) Enterprise owned or significantly influenced by key management personnel or their relatives

- 1) Navkar Finvest Ltd.
- 2) Shree Vrajraj Developers Pvt. Ltd.
- 3) Shreedhi Developers Pvt. Ltd.
- 4) Shreedhar Developers Pvt.Ltd.
- 5) NPS Investment Pvt.Ltd.
- 6) Manokesh Mines & Minerals Pvt.Ltd.
- 7) SKOL Developers Pvt.Ltd.
- 8) CSM Developers Pvt. Ltd.
- 9) M/s Avani Proteins
- 10) M/s Mukesh Proteins
- 11) M/s Mukesh Jain
- 12) M/s Bollywood Collection
- 13) M/s Royal Krishna Collection
- 14) M/s Bollywood Automobiles
- 15) M/s Anurag Agencies

C) Relatives of Key Management Personnel

- 1) Mrs. Anjana Jain
- 2) Mrs. Sangeeta Jain
- 3) Mrs. Surabhi Jain
- 4) Mr. Keshrimal jain
- 5) Mrs. Manorama jain

Summary of related parties transactions are as under:

S.No.		Name of Transaction	Entities over which key managerial personnel or their relatives exercise significant influence	Key managerial personnel	Relatives of key managerial personnel	Total
(In						
Transaction during the year						
1	Directors Remuneration					
	Mr. Sunil Jain		—	300,000	—	300,000
	Mr. Mukesh Jain		—	300,000	—	300,000
	Mr. Naveen Jain		—	300,000	—	300,000
2	Land Purchase					
	Shree Vrajraj Developers Pvt. Ltd.		2,100,000	—	—	2,100,000
3	Unsecured Loan Taken					
	Mr. Naveen Jain		—	160,000	—	160,000
	Mr. Sunil Kumar Jain		—	1,800,000	—	1,800,000
	SKOL Developers Pvt. Ltd.		7,300,000	—	—	7,300,000
	CSM Developers Pvt. Ltd.		6,150,000	—	—	6,150,000
4	Unsecured Loan at the year end					
	Mr. Mukesh Jain		—	1,147,200	—	1,147,200
	Mr. Naveen Jain		—	5,386,200	—	5,386,200
	Mr. Sunil Kumar Jain		—	1,328,425	—	1,328,425

16) The Company did not have any transactions with Small Scale Industrial ('SSI') Undertakings during the year ended March 31, 2011 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.

17) 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.

18) Previous Year's figures have been regrouped and reclassified wherever necessary to conform with current year's classification.

For Khandelwal and Khandelwal Associates
Chartered Accountants
Firm Registration No. 008389C

For and on behalf of the Board

(Ourgesh Khandelwal)
Partner
M.No. 077390

Sunil Jain
Managing Director

Mukesh Jain
Wholetime Director

Place : Mumbai
Date : 30.05.2011

Place : Mumbai
Date : 30.05.2011

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	31/03/2011	
(II)	CAPITAL RAISED DURING THE PERIOD (AMOUNT IN ₹)		
	Public Issue	:	NIL
	Rights Issue	:	NIL
	Bonus Issue	:	NIL
	Private Placement	:	86996000
(III)	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹)		
	Total Liabilities	:	337,978,417.28
	Total Assets	:	337,978,417.28
	Sources of Funds		
	Paid up capital	:	160,000,000.00
	Share Application Money	:	NIL
	Reserve & Surplus	:	120,542,512.57
	Secured Loans	:	2,784,958.74
	Unsecured Loans	:	54,524,797.97
	Deferred Tax Liability	:	126,148.00
	Application of Funds		
	Net Fixed Assets	:	2,651,561.00
	Investments	:	59,618,284.11
	Net Current Assets	:	275,708,572.17
	Misc. Expenditure	:	NIL
	Accumulated Losses	:	NIL
(IV)	PERFORMANCE OF COMPANY (AMOUNT IN ₹)		
	Turnover ¹ (Total Income)	:	106,930,012.91
	Total Expenditure	:	97,245,612.57
	Profit/(Loss) before Tax	:	9,684,400.34
	Profit/(Loss) after Tax	:	7120546.34
	Earning per Share in Rs. :		
	Basic & Diluted	:	0.81
	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 and Infrastructure Activities

For Khandelwal and Khandelwal Associates
Chartered Accountants
Firm Registration No. 008389C

(Durgesh Khandelwal)
Partner
M.No. 077390

Place : Mumbai
Date : 30.05.2011

For and on behalf of the Board

Sunil Jain
Managing Director

Mukesh Jain
Wholetime Director

Place : Mumbai
Date : 30.05.2011