



## BOARD OF DIRECTORS

Mr. Sunil Kumar Jain	Managing Director
Mr. Mukesh Kumar Jain	Non-Executive Director
Mr. Naveen Kumar Jain	Non-Executive Director
Mr. A. K. Sethi	Independent Director
Mr. Dinesh Joshi	Independent Director
Mr. P. D. Bairagi	Independent Director

## AUDIT COMMITTEE

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

## FINANCE COMMITTEE

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

## 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

## COMPANY SECRETARY

Surbhi Goyal

## SECRETARIAL CONSULTANT

M/s. B. K. Pradhan & Associates, Company Secretaries

## 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 : sharexindia@vsnl.com

## REGISTERED OFFICE

Umerji House, 202, 2<sup>nd</sup> Floor, Teli Gally,  
Andheri (East), Mumbai - 400 069. (Maharashtra)  
E-mail : shrikrishnaelectra@hotmail.com  
Tel. : 022-2682 2999

## 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

[sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)



## "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  
18<sup>th</sup> Annual Report  
along with  
Audited Accounts  
of the Company  
for the year ended  
31<sup>st</sup> March, 2012.

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of **SHRI KRISHNA DEVCON LIMITED** will be held on Thursday, the 20<sup>th</sup> day of September, 2012 at 11.30 A.M. at Hotel The Mirador, New Link Road, Chakala, Andheri (E), Mumbai 400 099 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2012 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. Ashok Kumar 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. Ashok Kumar Sethi as the Independent Director of the Company liable to retire by rotation.”

3. To appoint a Director in place of Mr. Naveen Kumar 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. Naveen Kumar 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 Sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any Statutory modification or re-enactment thereof, for the time being in force, the Company in general meeting hereby approves the re-appointment of Mr. Sunil Kumar Jain as Managing Director of the Company for period of five years with effect from 1<sup>st</sup> November 2012 on the same terms and conditions of remuneration as were paid to him earlier, which are set out in the explanatory statement annexed to this Notice.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Sunil Kumar Jain remuneration and perquisites not exceeding the ceiling limit laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to vary any of the terms of remuneration in consultation with Managing Director provided such variation is in accordance with the provisions of Schedule XIII

of the Companies Act, 1956 and/ or the provisions of law as may be applicable thereto from time to time.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized 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 break up of the remuneration within the 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 Kumar Jain  
Managing Director

Place: Indore  
Date: 14.08.2012

**REGISTERED OFFICE**  
Umerji House, 202,  
2<sup>nd</sup> Floor, Teli Gally,  
Andheri (East),  
Mumbai - 400 069.  
(Maharashtra)

**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 13<sup>th</sup> September, 2012 to 20<sup>th</sup> September, 2012 (both days inclusive) for the purpose of the Annual general Meeting.
6. 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.
7. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
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 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.
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 :
- Change in their Residential status on return to India for permanent settlement.
  - 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.

- Leave Travel Concession:** For him and his family in accordance with any rules specified by the Company
- Club Fees:** Subject to two clubs. This will not include admission and life membership fee.
- Personal Accident Insurance:** As per actual premium paid.
- Reimbursement of Expenses:** Actual incurred on credit card, cell phone.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

**Item 5:**

- The Board vide its Resolution dated 14th August 2012 had approved the re-appointment of Mr. Sunil Kumar Jain as the Managing Director of the Company for a period of five years with effect from 01<sup>st</sup> November 2012 on same terms and conditions of remuneration as were paid to him earlier and as approved by the Remuneration Committee of the Board of Directors of the Company. The details of the same are as under:
  - Basic Salary: Rs. 150000/- per month with effect from 01st Nov. 2012

In addition to the salary and commission Mr. Sunil Kumar Jain shall be entitled to the following perquisites which are classified into 2 categories "A" and "B" restricted to an amount equal to annual salary:

**CATEGORY "A"**

- Housing:** House Rent Allowance shall be allowed as per the rules of the company within the limit specified above.
- Medical Reimbursement:** As per actual expense incurred.
- Hospitalization:** As per actual expense incurred.

**CATEGORY "B"**

Encashment of leave at the end of tenure will not be included in the computation of the ceiling of perquisites.

- Mr. Sunil Kumar Jain is a founder and key promoter of the Company and under his dynamic leadership, initiatives and directions, the Company has benefited in its overall operations. He is the key factor behind the overall growth and success of the Company. His devotion, vision and experience are essential for the continuing growth of the Company.

**By order of the Board of Directors**

**Sunil Kumar Jain**  
Managing Director

**Place:** Indore  
**Date:** 14.08.2012

**REGISTERED OFFICE**  
Umerji House, 202,  
2<sup>nd</sup> Floor, Teli Gally,  
Andheri (East),  
Mumbai - 400 069.  
(Maharashtra)



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[sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

### INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

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

<b>Names of Directors</b>	Mr. Ashok Kumar Sethi
<b>Date of Birth</b>	16.10.1960
<b>Date of Appointment</b>	01.09.2007
<b>Expertise in functional area</b>	Advocate
<b>Other Directorship</b>	Nil
<b>Other Committee Memberships</b>	Nil
<b>Shareholding</b>	Nil

<b>Names of Directors</b>	Mr. Naveen Kumar Jain
<b>Date of Birth</b>	12.07.1976
<b>Date of Appointment</b>	09.08.2007
<b>Expertise in functional area</b>	Accounts and Construction Work
<b>Other Directorship</b>	02
<b>Other Committee Memberships</b>	Nil
<b>Shareholding</b>	1920600



## Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Eighteenth Annual Report for the year ended 31<sup>st</sup> March 2012.

### Financial results:

(₹ In Lacs)

Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Total Income	1109.75	1069.30
Total Expenditure	978.97	972.46
Profit / Loss Before Taxation	130.78	96.84
Profit / Loss After Taxation	94.59	71.20

### Performance:

During the year under review, the Company recorded a income of Rs. 1109.75 Lacs as compared to Rs. 1069.30 Lacs recorded during the previous year. The Company recorded a net profit after tax of Rs. 94.59 Lacs as compared to profit of Rs. 71.20 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 2011-12.

### Change in Share Capital:

To augment its long term resources and in order to enable the Company to raise the resources, Company has increased its authorized share capital from Rs. 16.00 Cr. to Rs. 28.00 Cr. by way of Postal Ballot on 12<sup>th</sup> May, 2011 and Company has issued 1,20,00,000 Warrants convertible into equity shares of Rs. 10/- each at a premium of Rs. 10/- per share on 25<sup>th</sup> May, 2011, to the promoters and / or bodies corporate(s)

or individual(s) or others. The Company has allotted 1,20,00,000 equity shares of Rs. 10.00 each at a premium of Rs. 10.00 per share on Conversion of 1,20,00,000 warrants of Rs. 20.00 each on Preferential Basis. After allotment paid up and subscribed capital of Company increased from Rs. 16.00 Cr. to Rs. 28.00 Cr.

### Change in Registered Office:

The registered office of the Company was shifted from 414, 4th Floor, Crystal Paradise The Mall, Off Veera Desai Marg, Andheri (W), Mumbai-400 053 to Umerji House, 202, 2nd Floor, Teli Gally, Andheri (East), Mumbai (MH) - 400 069 with effective from 01st December 2011 for administrative purposes.

### 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 16.00 Cr. Equity Shares of the company are listed on the Bombay Stock Exchange Limited (BSE) and remaining 12.00 Cr. Equity Shares of the Company has got the inprincipal approval from BSE and very soon Company will get the listing approval from BSE. The Listing fees have been paid to the Bombay Stock Exchange Limited (BSE) for the year 2012-13.

### 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, 2012 is annexed hereto.

**Directors:**

During the year designation of Mr. Mukesh Kumar Jain and Mr. Naveen Kumar Jain, Whole -Time Directors of the company changed from Executive Director to Non-Executive Director of the company with effective from 31/07/2011.

Except for the Executive Chairman, Managing Director and Whole-time 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. Ashok Kumar Sethi and Mr. Naveen Kumar Jain 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. Ashok Kumar Sethi and Mr. Naveen Kumar 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 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 Kumar Jain</b> Managing Director	<b>Mukesh Kumar Jain</b> Director
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Place : Indore  
Date : 14.08.2012

## 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 2011-12 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.

Shri Krishna Devcon Ltd. is a real estate development and construction Company with synergistic business presence in the infrastructure field. Company develops integrated townships, housing projects and commercial projects, along with construction and infrastructure projects. The Company's operations span all aspects of real estate development from the identification and acquisition of land to the planning, execution and marketing of its projects.

### INDIAN ECONOMY AND INDUSTRY OVERVIEW:

Real Estate is the second largest employer in India after agriculture and is stated to grow at 30% over the next decade. The housing sector alone contributes to 5-6% of the country's GDP. As per the Planning Commission, for the 11<sup>th</sup> Five Year Plan roads, bridges, rail, civil aviation, telecommunications, power generation and irrigation sectors are expected to soar up to \$ 1 Trillion over the next five years. Nearly half of this investment will be channelized into construction projects. Therefore, there is considerable long term business scope for players in the construction sector. As a result, this sector also qualifies as a large and significant employer across a range of skills and qualifications.

### 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 real estate sector is the second largest employer after agriculture. While the GDP for 2012 slipped to 6.9%, Government of India has put strong impetus on infrastructure development in the current budget by allocating a significant portion of the planned allocation towards infrastructure development. The total investment in infrastructure is estimated to have increased from 5.7% of GDP to around 8.0% in 2012. 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:

The boom in the economy & the construction industry in the last few years have also led to the growth of the domestic competitors. The construction industry in India is surely on a high growth path, though at times showing a cyclical trend. Improvement of operational efficiency through better resource allocation & utilization and technological up-gradation & innovation would be crucial for strengthening the profitability while sustaining relative advantage with respect to the existing and potential competitors. There are opportunities available in most of the Infrastructure sectors to be explored.

- Wide range of skills and expertise in the construction sector with professional and able senior management team.
- Well established brand recognition and goodwill owing to innovative marketing strategies.
- Diversified product mix ranging across residential, commercial and retail and strategically located projects.
- Assured quality and attention to detail.

### Threats, Risks and Concerns:

In our view, the Indian economy in general and the real estate sector in particular, are well set to thrive over the ensuing decades. However, macroeconomic factors such as the rising interest rates, high level of persistent inflation, demand-supply imbalances government policies and global economic environment which are beyond the control of an individual Company, will dampen the performance of the real estate sector. The cyclical nature of real estate business poses a threat to the whole industry. Any real estate developer that does not put in place adequate risk mitigation measures would be adversely affected by such cyclical downturn. Growth in demand for housing is significantly driven by easy availability of finance at low rates of interest and any increase in interest rates can reduce purchasing power of the home buyers ultimately causing demand recession.

To commence a project, a large number of statutory approvals are required and any delay to these approvals could create delays in project completion schedules. With a view to mitigate such risk, all the required documents are prepared meticulously.

Any delay or prolonged execution of projects could have adverse financial implications leading to increased cost of construction and the same could affect the profitability of the projects. Intense competition also prevails in the real estate sector which could also affect performance of small size developers.

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:

The overall economic outlook for the year 2011-12 appears to be positive but challenging. The Indian GDP expected to register a growth of around 8%. The industrial indices have started showing signs of recovery the industry is on the path of recovery. The chances of achieving the desired growth rate is almost certain as sector served by your Company is basic sector which caters the need of every person in developing economy.

Your Company's recent policies of creating affordable housing have been very successful. The Company is developing residential as well as commercial projects mainly in Indore (Madhya Pradesh) and Mumbai (Maharashtra).

### Projects:

Your Company has started two residential building projects at Indore (M.P.) named as Shri Krishna Enclave and Shri Krishna Super Corridor. Your Company has also running many multistoried and Bungalow projects named as Hilton Tower, Solitaire Park, Mahaveer Kripa, Shri Krishna Eco-Town and Shri Krishna Avenue which are at advance stage of completion.

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.

### Human Resource Development:

Your Company firmly believes that motivated employees are the key for a competitive advantage. The Company has always reviewed its human resources in an integrated manner aligning all the facets of its human capital with business and organizational transformation in realizing its objectives. Your Company's employee value proposition is based on

employee development, an exciting work culture, performance evaluation and empowerment.

The Company has created a conducive working environment with prudent knowledge management leading to enhanced skills and capabilities. Your Company provides challenging career development opportunities and encourages innovative thinking. It monitors employees' performance to enhance individual and organizational performance.

### Segment wise Performance:

The Company is primarily engaged in construction activities and is managed organizationally as a single unit. Accordingly, the company is a single business segment company.

### Internal control systems and their adequacy:

Your company lays great importance on internal control systems across the organization. It maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respect and of providing protection against significant misuse or loss of company assets.

A strong internal audit function and effective Audit Committee of the Board have strengthened the Internal Control within the organization.

### Information Security:

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

### Cautionary statement:

Statement contained in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic conditions in the domestic market in which the company operates or changes in the Government regulations, tax laws and other statutes or other incidental factors.



## Report on Corporate Governance

(PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH 2012)

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 consists 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 in the Board as managing director and two other Non- Executive Directors who are not Independent. 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 three 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 2011-12, the Board of Directors met Eight (8) times on the following dates: April 9, 2011, May 25, 2011, May 30, 2011, August 12, 2011, November 14, 2011, November 23, 2011, December 22, 2011 and February 14, 2012.

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 Kumar Jain	Managing Director	Executive	1920600	1	Nil	Nil	8	8	Yes
Mr. Mukesh Kumar Jain*	Director	Non-Executive	1920600	1	Nil	Nil	8	8	Yes
Mr. Naveen Kumar Jain*	Director	Non-Executive	1920600	Nil	Nil	Nil	8	8	Yes
Mr. P.D. Bairagi	Director	Non-Executive / Independent	Nil	Nil	Nil	Nil	8	7	No
Mr. Dinesh Joshi	Director	Non-Executive / Independent	Nil	Nil	Nil	Nil	8	7	No
Mr. A. K. Sethi	Director	Non-Executive / Independent	Nil	Nil	Nil	Nil	8	7	No

\* During the year under review Mr. Mukesh Kumar Jain and Mr. Naveen Kumar Jain have resigned from the post of Whole-time Directorship of the Company w.e.f. 31st July, 2011.

## 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 memberships in more than 10 Committees and Chairmanships in more than 5 Committees.
- 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 Kumar Jain, Mr. Mukesh Kumar Jain and Mr. Naveen Kumar 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 Kumar 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:

#### Audit Committee:

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 Kumar 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	30 <sup>th</sup> May, 2011	3	3
2	12 <sup>th</sup> August, 2011	3	3
3	14 <sup>th</sup> Nov., 2011	3	3
4	14 <sup>th</sup> Feb., 2012	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 Kumar 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 28<sup>th</sup> 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 held one meeting during the financial year ended March 31, 2012.

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 2011-12:****Remuneration of Non-Executive Directors:**

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

Independent 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 Three years and renewed thereafter, on mutually accepted terms and conditions.

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

SL. No.	Name of Director	Designation	Period	Gross Remuneration
1	Mr. Sunil Kumar Jain	Managing Director	01.04.2011 to 31.03.2012	10,50,000
2	Mr. Mukesh Kumar Jain	Whole-time Director	01.04.2011 to 30.07.2011	1,50,000
		Non-Executive	31.07.2011 to 31.03.2012	NIL
3	Mr. Naveen Kumar Jain	Whole-time Director	01.04.2011 to 30.07.2011	1,50,000
		Non-Executive	31.07.2011 to 31.03.2012	NIL
4	Mr. P. D. Bairagi	Director	01.04.2011 to 31.03.2012	NIL
5	Mr. Dinesh Joshi	Director	01.04.2011 to 31.03.2012	NIL
6	Mr. A. K. Sethi	Director	01.04.2011 to 31.03.2012	NIL

\* During the year under review Mr. Mukesh Kumar Jain and Mr. Naveen Kumar Jain have resigned from the post of Whole-time Directorship of the Company w.e.f. 31st July, 2011.

**(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 Kumar Jain as members.

The composition of the Committee is as follows:

**Shareholders/Investor Grievances Committee:**

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 Kumar Jain	Member	Executive 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).

**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 Kumar 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 2011	:	NIL
No. of complaints received & resolved during 01.04.2011 to 31.03.2012	:	03
No. of complaints pending as on 31.03.2012	:	NIL

#### (iv) Finance Committee:

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

#### 3. 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.

#### 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
2010-11	414, 4 <sup>th</sup> Floor, Crystal Paradise The Mall, Off Veera Desai Road, New Link Road, Andheri (W), Mumbai - 400 053.	September 21, 2011 11.30 A.M.	One
2009-10	414, 4 <sup>th</sup> Floor, Crystal Paradise The Mall, Off Veera Desai Road, New Link Road, Andheri (W), Mumbai - 400 053.	September 20, 2010 1.00 P.M.	Nil
2008-09	414, 4 <sup>th</sup> 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

## 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. 30 of the notes forming part of the financial statements.

- 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:

The CEO and the CFO of the Company give 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:**

Thursday, 20<sup>th</sup> September, 2012  
at 11.30 A.M.

**Venue:**

Hotel The Mirador  
New Link Road,  
Chakala,  
Andheri (East)  
Mumbai - 400 099

**c. Financial Year:** April 01, to March 31.**d. Financial Calendar 2012-13 (Tentative):**

Financial Reporting for the quarter ending June 30, 2012	Second Week of August, 2012
Financial Reporting for the quarter ending September 30, 2012	Second Week of November, 2012
Financial Reporting for the quarter ending December 31, 2012	Second Week of February, 2013
Financial Reporting for the quarter ending March 31, 2013	Last Week of May, 2013

**e. Dates of Book Closure:**

Thursday, 13<sup>th</sup> September, 2012 to Thursday 20<sup>th</sup> September, 2012 (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
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The Bombay Stock Exchange Limited (BSE)	531080
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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, 2011	24.60	18.35
May, 2011	24.40	19.25
June, 2011	24.65	19.10
July, 2011	27.50	20.00
August, 2011	26.15	18.10
September, 2011	28.00	19.00
October, 2011	22.45	16.50
November, 2011	20.00	15.85
December, 2011	19.20	12.65
January, 2012	18.94	15.10
February, 2012	20.40	15.70
March, 2012	20.05	13.65

Source: BSE website

**a. 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 - 264 13 76 / 2270 24 85,  
Fax No.: 022 - 2264 13 49,  
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.

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

NIL

**n. 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
31.03.12	27378250	28000000	97.78 %

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.

- o.** The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during the financial year 2011-12.
- p.** Since the Company is engaged in Real Estate sector, there are no plants or manufacturing units.

**q. 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.

**r. Secretarial Audit:**

As stipulated by SEBI, a qualified Practicing Company Secretary 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.

**s. 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 - 2264 13 76 / 2270 24 85,  
Fax No.: 022 - 2264 13 49,  
E mail : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

**Shri Krishna Devcon Limited**  
Investor Service Centre  
Umerji House, 202, 2nd Floor,  
Teli Gally, Andheri (East)  
Mumbai (Mah) - 400 069  
Tel. : 022- 26822999  
Email : [shrikrishnaelectra@hotmail.com](mailto:shrikrishnaelectra@hotmail.com)



## CEO / CFO Certification

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To  
The Board of Directors  
**SHRI KRISHNA DEVCON LIMITED**  
Mumbai

I, Sunil Kumar Jain, Managing Director of Shri Krishna Devcon Limited to the best of my knowledge and belief, certify that :

1. I have reviewed the Balance Sheet and Profit and Loss account and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Directors' report.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and I have :
  - a. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP).
  - b. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - c. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. I have disclosed, based on my most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions):
  - a. There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. There were no significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the *notes to the financial statements*.
  - d. There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. I affirm that I have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and I have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

Indore  
August 14, 2012

Sunil Kumar Jain  
Managing Director

## Declaration – Code of Conduct

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I hereby confirm that:

I, Sunil Kumar Jain, Managing Director of the company, hereby declare that all the members of the Board and senior management personnel have affirmed compliance with the Code of conduct for the year ended 31<sup>st</sup> March 2012.

**Sunil Kumar Jain**

Managing Director

**Place:** Indore

**Date:** 14.08.2012

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## 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, 2012 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 & Khandelwal Associates**

Chartered Accountants

Firm Registration No. 008389C

**CA Durgesh Khandelwal**

Partner

Membership No. 077390

**Place:** Indore

**Date:** 14.08.2012



## 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, 2012 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 31.03.2012 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31.03.2012 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 2012;
    - 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 & Khandelwal Associates**  
Chartered Accountants  
Firm Registration No. 008389C

**(CA Durgesh Khandelwal)**  
Partner  
M.No. 077390

Place : Indore  
Date : 30.05.2012

## 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 A (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 seven parties covered in the register maintained under section 301 of the Companies Act,

1956. The maximum amount involved during the year was ₹ 55551281/- and the year end balance of loans taken from such parties was ₹ 53051281/-.

- 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) The loans taken are repayable on demand and there is no repayment schedule .Therefore, the question of repayment being regular does not arise and there is no overdue amount of such loans.

### 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 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

## 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 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 & Khandelwal Associates**  
Chartered Accountants  
Firm Registration No. 008389C

(CA Durgesh Khandelwal)  
Partner  
M.No. 077390

Place : Indore  
Date : 30.05.2012

## Balance Sheet As At 31st March, 2012

PARTICULARS	NOTE NO.	AS AT 31ST MARCH, 2012 ₹	AS AT 31ST MARCH, 2011 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	280,000,000.00	160,000,000.00
(b) Reserves and surplus	4	248,918,143.61	120,542,512.57
<b>Total of Shareholders' funds</b>		<b>528,918,143.61</b>	<b>280,542,512.57</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	3,777,941.11	23,762.56
(b) Deferred tax liabilities (net)	26	369,770.81	126,148.00
(c) Other long-term liabilities	6	4,014,807.56	3,790,161.86
<b>Total of Non-current liabilities</b>		<b>8,162,519.48</b>	<b>3,940,072.42</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	143,782,561.97	56,977,462.97
(b) Trade payables	8	50,514,737.00	11,445,471.00
(c) Other current liabilities	9	149,877,903.85	32,490,742.18
(d) Short-term provisions	10	868,047.00	1,411,872.00
<b>Total of Current liabilities</b>		<b>345,043,249.82</b>	<b>102,325,548.15</b>
<b>TOTAL OF EQUITY AND LIABILITIES</b>		<b>882,123,912.90</b>	<b>386,808,133.14</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
Tangible assets	11	11,276,696.77	2,651,561.00
(b) Non-current investments	12	67,955,823.36	59,618,284.11
(c) Long-term loans and advances	13	715,500.00	12,515,500.00
(d) Other non-current assets	14	2,085,514.24	1,719,985.80
<b>Total of Non-current assets</b>		<b>82,033,534.37</b>	<b>76,505,330.91</b>
<b>2 Current assets</b>			
(a) Inventories	15	730,253,428.00	268,981,206.00
(b) Trade receivables	16	2,275,380.00	1,313,853.00
(c) Cash and cash equivalents	17	31,444,180.53	4,950,070.23
(d) Short-term loans and advances	18	36,117,390.00	35,057,673.00
<b>Total of Current assets</b>		<b>800,090,378.53</b>	<b>310,302,802.23</b>
<b>TOTAL OF ASSETS</b>		<b>882,123,912.90</b>	<b>386,808,133.14</b>

Notes forming part of the financial statements are an Integral Part of this Balance Sheet

As Per our Report of even date attached  
For **Khandelwal & Khandelwal Associates**  
Chartered Accountants  
Firm Registration No. 008389C

**(CA Durgesh Khandelwal)**  
Partner  
M.No. 077390  
Place : Indore  
Date : 30.05.2012

For and on behalf of the Board of Directors

**Sunil Kumar Jain**  
Managing Director

**Mukesh Kumar Jain**  
Director

**Surbhi Goyal**  
Company Secretary

## Statement of Profit and Loss for the year ended 31 March, 2012

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH, 2012 ₹	FOR THE YEAR ENDED 31ST MARCH, 2011 ₹
1 Revenue from operations	19	104,295,225.00	104,092,759.00
2 Other income	20	6,679,728.69	2,837,253.91
3 Total revenue (1+2)		110,974,953.69	106,930,012.91
4 Expenses			
(a) Land, Materials & service Cost	21.a	529,850,434.00	260,374,424.00
(b) Purchases of Trading Goods	21.b	18,610,551.00	-
(c) Changes in inventories of finished goods, work-in-progress and trading stock	21.c	(461,272,222.00)	(168,041,089.00)
(d) Employee benefits expense	22	2,459,444.00	1,461,600.00
(e) Finance costs	23	2,850,955.92	1,050,501.12
(f) Depreciation and amortisation expense	11	787,514.23	303,888.00
(g) Other expenses	24	4,610,374.70	2,096,288.45
Total expenses		97,897,051.85	97,245,612.57
5 Profit / (Loss) before tax (3 - 4)		13,077,901.84	9,684,400.34
6 Tax expense:			
(a) Current tax		3,375,320.00	2,919,775.00
(b) Deferred tax		243,622.81	34,481.00
Net current tax expense		3,618,942.80	2,954,256.00
Tax adjustments of previous year		-	390,402.00
		3,618,942.80	2,563,854.00
7 Profit / (Loss) for the year (5-6)		9,458,959.04	7,120,546.34
8 Earnings per share (of ₹ 10/- each):			
(a) Basic		0.48	0.81
(b) Diluted		0.48	0.81

Notes forming part of the financial statements are an Integral Part of this statement of profit & loss

As Per our Report of even date attached  
For **Khandelwal & Khandelwal Associates**  
Chartered Accountants  
Firm Registration No. 008389C

**(CA Durgesh Khandelwal)**  
Partner  
M.No. 077390  
Place : Indore  
Date : 30.05.2012

For and on behalf of the Board of Directors

**Sunil Kumar Jain**  
Managing Director

**Mukesh Kumar Jain**  
Director

**Surbhi Goyal**  
Company Secretary



## Cash Flow Statement For The Year Ended March 31, 2012

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2012 ₹	FOR THE YEAR ENDED 31ST MARCH, 2011 ₹
<b>A. Cash flow from operating activities</b>		
Net Profit Before Tax	13,077,901.84	9,684,400.34
Adjustments for:		
Depreciation and amortisation	787,514.23	303,888.00
loss on sale of assets	8,030.00	-
Finance costs	2,850,955.92	1,050,501.12
Interest income	(4,368,974.44)	(2,614,554.91)
Profit from partnership firms	(2,310,754.25)	(222,699.00)
<b>Operating profit before working capital changes</b>	<b>10,044,673.30</b>	<b>8,201,535.55</b>
Changes in working capital:		
Adjustments for operating assets:		
Increase in inventories	(461,272,222.00)	(168,041,089.00)
Increase in trade receivables	(961,527.00)	1,034,880.00
Increase in short-term loans and advances	(1,059,717.00)	(10,588,403.00)
Decrease in long-term loans and advances	11,800,000.00	-
Adjustments for operating liabilities:		
Increase in trade payables	39,069,266.00	12,014,458.36
Increase in other current liabilities	117,387,161.67	26,951,167.66
Increase in other long-term liabilities	224,645.70	-
Increase in short-term provisions	5,565.00	-
<b>Cash generated from operations</b>	<b>(284,762,154.33)</b>	<b>(130,427,450.43)</b>
Net income tax	(3,924,710.00)	(376,158.00)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(288,686,864.33)</b>	<b>(130,803,608.43)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets	(9,545,680.00)	(55,549.00)
Proceeds from sale of fixed assets	125,000.00	-
Investments in partnership firms	(8,337,539.25)	(44,616,926.00)
Bank deposits not considered as Cash and cash equivalents	(365,528.44)	(149,824.91)
Interest received	4,368,974.44	2,614,554.91
Profit from partnership firms	2,310,754.25	222,699.00
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(11,444,019.00)</b>	<b>(41,985,046.00)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	238,916,672.00	129,657,701.00
Proceeds (repayment) of long-term borrowings	3,754,178.55	(168,736.00)
Proceeds from other short-term borrowings	86,805,099.00	32,711,825.00
Finance cost	(2,850,955.92)	(1,050,501.12)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>326,624,993.63</b>	<b>161,150,288.88</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>26,494,110.30</b>	<b>(11,638,365.55)</b>
Cash and cash equivalents at the beginning of the year	4,950,070.23	16,588,435.78
<b>Cash and cash equivalents at the end of the year</b>	<b>31,444,180.53</b>	<b>4,950,070.23</b>
<b>Cash and cash equivalents Comprises of:</b>		
(a) Cash on hand	3,843,342.00	248,075.00
(b) Balances with banks in current accounts	27,600,838.53	4,701,995.23
<b>Total</b>	<b>31,444,180.53</b>	<b>4,950,070.23</b>

## Notes forming part of the financial statements are an Integral Part of this cash flow statement

As Per our Report of even date attached

For **Khandelwal & Khandelwal Associates**

Chartered Accountants

Firm Registration No. 008389C

**(CA Durgesh Khandelwal)**

Partner

M.No. 077390

Place : Indore

Date : 30.05.2012

For and on behalf of the Board of Directors

**Sunil Kumar Jain**  
Managing Director**Mukesh Kumar Jain**  
Director**Surbhi Goyal**  
Company Secretary



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Note	Particulars
<b>1</b>	<b>Corporate information</b>
	Shri Krishna Devcon Limited ('the Company or 'SKDL') is a real estate developer engaged in the business of construction, development of townships, housing projects, commercial premises and other related activities.
<b>2</b>	<b>Significant accounting policies</b>
<b>2.01</b>	<b>Basis of preparation of financial statements</b>
	The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
<b>2.02</b>	<b>Use of estimates</b>
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Significant estimates used by the management in the preparation of these financial statements include computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates, classification of assets and liabilities into current and non-current, estimates of the economic useful lives of fixed assets, provisions for bad and doubtful debts. Any revision to accounting estimates is recognised prospectively.
<b>2.03</b>	<b>Tangible Fixed Assets</b>
	Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
<b>2.04</b>	<b>Depreciation and amortisation</b>
	Depreciation on fixed asset 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.
<b>2.05</b>	<b>Impairment of tangible assets</b>
	The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Note	Particulars
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### Note 2 Significant accounting policies (contd.)

#### 2.06 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. Current investments are carried at lower of cost and fair market value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

#### 2.07 Inventories

- (i) Trading Stock: Trading Stock represents Plots of land and Flats for resale. Trading stock are valued at lower of cost and net realisable value. Cost includes cost of acquisition and other related cost on acquisition.
- (ii) Work in progress: Work in Progress represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Work in Progress are valued at lower of cost and net realisable value. Cost includes cost of land/development rights, materials, construction, services, borrowing costs and other overheads relating to projects.
- (iii) Finished Goods: Finished Goods represents unsold units of completed projects. Finished Goods 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.

#### 2.08 Revenue recognition

- (i) Recognition of revenue from real estate projects:
 

Revenue from real estate projects 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 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 reach a significant level which is estimated to be at least 30% of the total estimated construction cost of the project. Revenue is recognised in the 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.
- (ii) Share in profits of partnership firm investments:
 

The Company's share in profits from a firm where the Company is a partner, is recognised on the basis of such firm's financial statements.
- (iii) Dividend income:
 

Dividend is recognised when the shareholders right to receive payment is established at the Balance sheet date.
- (iv) Interest Income:
 

Income is recognised on a time proportion basis 'taking into account the amount outstanding and the rate applicable.
- (v) Other income:
 

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Note	Particulars
<b>Note 2 Significant accounting policies (contd.)</b>	
<b>2.09 Employee benefits</b>	Employee benefits include short term benefits like salaries and wages which are recognized as an expense in the Profit and Loss Account of the year in which the related service is rendered.
<b>2.10 Borrowing costs</b>	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 it is incurred.
<b>2.11 Segment reporting</b>	The Company has only one reportable segment i.e. Real Estate Development Business on the basis of nature of risks and returns and the internal organisation and management structure of the Company.
<b>2.12 Earnings per share</b>	Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
<b>2.13 Taxes on income</b>	Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.
<b>2.14 Provisions and contingencies</b>	A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.
<b>2.15 Share issues expenses</b>	Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 3 Share Capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹10 each with voting rights	28,000,000	280,000,000.00	16,000,000	160,000,000.00
(b) Issued Equity shares of ₹10 each with voting rights	28,000,000	280,000,000.00	16,000,000	160,000,000.00
(c) Subscribed and fully paid up Equity shares of ₹10 each with voting rights	28,000,000	280,000,000.00	16,000,000	160,000,000.00
<b>Total</b>	<b>28,000,000</b>	<b>280,000,000.00</b>	<b>16,000,000</b>	<b>160,000,000.00</b>

#### Note 3.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening Balance	Conversion of share warrants in equity shares	Other changes	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2012				
- Number of shares	16,000,000	12,000,000	-	28,000,000
- Amount (₹)	160,000,000.00	120,000,000.00	-	280,000,000.00
Year ended 31 March, 2011				
- Number of shares	7,300,400	8,699,600	-	16,000,000
- Amount (₹)	73,004,000.00	86,996,000.00	-	160,000,000.00

#### Note 3.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 3 Share capital (contd.)

#### Note 3.3 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mac Life Science Pvt. Ltd.	2,200,000	7.86	2,200,000	13.75
Sayoni Infracon Pvt. Ltd.	3,500,000	12.50	-	-
Craftwel Electronic Pvt. Ltd.	3,300,000	11.79	1,500,000	9.38
Vishwanath Hospital And Research Centre Pvt. Ltd.	2,200,000	7.86	2,200,000	13.75
Anjana Jain	1,920,600	6.86	1,083,100	6.77
Sunil Kumar Jain	1,920,600	6.86	1,083,100	6.77
Manorma Jain	1,920,600	6.86	1,083,100	6.77
Mukesh Kumar Jain	1,920,600	6.86	1,083,100	6.77
Sangeeta Jain	1,920,600	6.86	1,083,100	6.77
Navin Jain	1,920,600	6.86	1,083,100	6.77
Surbhi Jain	1,920,600	6.86	1,083,100	6.77
Keshrimal Jain	1,920,870	6.86	1,083,370	6.77

### Note 4 Reserves and Surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Securities premium account		
Opening balance	119,412,985.00	76,751,284.00
Add : Premium on shares issued during the year	120,000,000.00	43,498,000.00
Less: Utilised during the year for writing off shares issue expenses	1,083,328.00	836,299.00
Closing balance	<b>238,329,657.00</b>	<b>119,412,985.00</b>
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,129,527.57	(5,991,018.77)
Add: Profit / (Loss) for the year	9,458,959.04	7,120,546.34
Closing balance	<b>10,588,486.61</b>	<b>1,129,527.57</b>
<b>Total reserve &amp; surplus</b>	<b>248,918,143.61</b>	<b>120,542,512.57</b>

### Note 5 Long-term Borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Secured term loans		
From banks (Refer Note 5.1)	3,777,941.11	23,762.56
<b>Total long term borrowing</b>	<b>3,777,941.11</b>	<b>23,762.56</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 5 Long-term Borrowings (contd.)

#### Note 5.1 Terms of repayment and security

Particulars	Terms of repayment and security	As at 31 March, 2012	As at 31 March, 2011
		Secured	Secured
		₹	₹
<b>Term loans from banks:</b>			
Vehicle Loans	Secured against the hypothecation of respective vehicles		
(a) HDFC Bank Ltd.	one instalment of ₹ 297600 was due on 05.07.2011 and 34 equal monthly instalments of ₹ 148800 starting from 05.08.2011 and last instalment due on 05.05. 2014.	1,947,231.83	-
(b) HDFC Bank Ltd.	one instalment of ₹ 192850 was due on 05.02.2012 and 34 equal monthly instalments of ₹ 96425 starting from 05.03.2012 and last instalment due on 05.12. 2014.	1,830,709.28	-
(c) HDFC Bank Ltd.	Monthly variable instalments of amounts as mentioned in the repayment schedule commenced from 07.10.2009 and last instalments due on 07.08.2012.	-	23,762.56
(d) HDFC Bank Ltd.	Monthly variable instalments of amounts as mentioned in the repayment schedule last instalments was paid on 09.01.2011.	-	220,739.00
<b>Total - Term loans from banks</b>		<b>3,777,941.11</b>	<b>244,501.56</b>

### Note 6 Other Long-term Liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Trade payables:		
Payable for land purchase	4,014,807.56	3,790,161.86
<b>Total Other long-term liabilities</b>	<b>4,014,807.56</b>	<b>3,790,161.86</b>

### Note 7 Short-term Borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Loans repayable on demand		
From banks		
Secured (Refer Note 7.1 below)	-	2,452,665.00
(b) Loans and advances from related parties	53,051,281.00	21,311,825.00
Unsecured		
(c) From corporate bodies		
Unsecured	90,731,280.97	33,212,972.97
<b>Total Short-term borrowings</b>	<b>143,782,561.97</b>	<b>56,977,462.97</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 7.1 Details of security & repayment term for the secured short-term borrowings:

Particulars	Security details & repayment term	As at 31 March, 2012	As at 31 March, 2011
		₹	₹
<b>Loans repayable on demand from banks:</b>	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.		
State Bank of India		-	2,452,665.00

Note 7.2 The Company has not defaulted in any repayment of loans and interest during the year and previous year.

### Note 8 Trade Payables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Payable for land purchase	33,272,300.00	-
Payable for Supplies & Services (refer note 28)	17,242,437.00	11,445,471.00
<b>Total of Trade payables</b>	<b>50,514,737.00</b>	<b>11,445,471.00</b>

### Note 9 Other Current Liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Current maturities of long-term debt (refer Note 5.1)	2,402,724.85	308,531.18
Advances from customers	144,837,237.00	31,667,430.00
Statutory dues	2,586,426.00	514,781.00
Others	51,516.00	-
<b>Total of other current liabilities</b>	<b>149,877,903.85</b>	<b>32,490,742.18</b>

### Note 10 Short-term Provisions

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Provision for tax net of advance tax & TDS ₹ 2512838 (As at 31 March, 2011 ₹ 1507903)	862,482.00	1,411,872.00
Expenses payable	5,565.00	-
<b>Total of Short-term provisions</b>	<b>868,047.00</b>	<b>1,411,872.00</b>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2012

Note 11 Fixed Assets

Tangible Assets	Gross block				Accumulated depreciation/amortisation				Net block	
	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Owned:</b>										
(a) Furniture and Fixtures	17,930.00	-	-	17,930.00	17,035.00	851.68	-	17,886.68	43.33	895.00
(b) Vehicles	2,955,183.00	9,303,090.00	165,125.00	12,093,148.00	549,506.00	746,460.90	32,095.00	1,263,871.90	10,829,276.10	2,405,677.00
(c) Computer and peripherals	135,709.00	108,950.00	-	244,659.00	35,145.00	30,275.98	-	65,420.98	179,238.02	100,564.00
(d) Air Conditioner	61,897.00	-	-	61,897.00	9,066.00	2,940.11	-	12,006.11	49,890.89	52,831.00
(e) DVD Player	4,499.00	-	-	4,499.00	695.00	213.70	-	908.70	3,590.30	3,804.00
(f) LCD TV	29,000.00	-	-	29,000.00	4,540.00	1,377.50	-	5,917.50	23,082.50	24,460.00
(g) EPABX	7,995.00	-	-	7,995.00	1,237.00	379.76	-	1,616.76	6,378.24	6,758.00
(h) Mobile Instruments	65,000.00	102,000.00	-	167,000.00	8,428.00	4,271.37	-	12,699.37	154,300.63	56,572.00
(i) Money counting machine	-	31,640.00	-	31,640.00	-	743.24	-	743.24	30,896.76	-
<b>Total</b>	<b>3,277,213.00</b>	<b>9,545,680.00</b>	<b>165,125.00</b>	<b>12,657,768.00</b>	<b>625,652.00</b>	<b>787,514.23</b>	<b>32,095.00</b>	<b>1,381,071.23</b>	<b>11,276,696.77</b>	<b>2,651,561.00</b>
<b>Previous year</b>	<b>3,221,664.00</b>	<b>55,549.00</b>	<b>-</b>	<b>3,277,213.00</b>	<b>321,764.00</b>	<b>303,888.00</b>	<b>-</b>	<b>625,652.00</b>	<b>2,651,561.00</b>	<b>2,899,900.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 12 Non-current Investments

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>A. Trade Investments (At cost):</b>		
Unquoted		
Investment in partnership firms (Refer Note 12.1)	56,762,011.25	48,424,472.00
<b>Total of Trade Investments</b>	<b>56,762,011.25</b>	<b>48,424,472.00</b>
<b>B. Other Investments (At Cost)</b>		
Quoted equity shares (Refer Note 12.2)		
(a) 288,643 (As at 31 March, 2011 : 288,643 ) shares of ₹ 1 each fully paid up in Media Metrix Worldwide Ltd.	6,009,686.15	6,009,686.15
(b) 28,391 (As at 31 March, 2011 : 28,391) shares of ₹ 10 each, fully paid up in Vishal Malleables Ltd.	2,444,085.37	2,444,085.37
(c) 1,285,000 (As at 31 March, 2011 : 1,285,000) shares of ₹ 1 each, fully paid up in Mobile Telecommunications Ltd.	2,740,040.59	2,740,040.59
Aggregate Market value as at 31st March, 2012 Rs. 78.12 Lacs (As at 31st March 2011 Rs. 57.07)		
<b>Total of other investments</b>	<b>11,193,812.11</b>	<b>11,193,812.11</b>
<b>Total of non current investments (A+B)</b>	<b>67,955,823.36</b>	<b>59,618,284.11</b>

### Note 12.1 Other details relating to investment in partnership firms

Name of the firms	As at 31 March, 2012		As at 31 March, 2011	
	Names of partners in the firm	Share of each partner in the profits of the firm	Names of partners in the firm	Share of each partner in the profits of the firm
1 M/S Maa Shipra Enterprises Total Capital as on 31.03.2012 - ₹ 3600000 Previous year ₹ 3600000	Shree Krishna Devcon Ltd Shree Yogesh Mishra Shree Abhishek Rathi Shree Lokesh Awasthi	25 25 25 25	Shree Krishna Devcon Ltd Shree Yogesh Mishra Shree Abhishek Rathi Shree Lokesh Awasthi	25 25 25 25
Total		100		100
2 M/S Avani Buildcon Total Capital as on 31.03.2012 - ₹ 63805089 Previous year ₹ 50748577	Shri Krishna Devcon Ltd Mr. Jetendra Mehta Mr. Sunil Sangoi	50 30 20	Shri Krishna Devcon Ltd Mr.Sunil Haryani Mr.Kiran Deshmukh	50 30 20
Total		100		100
3 M/S Shree Krishna Buildcon Total Capital as on 31.03.2012 - ₹ 29483000 Previous year ₹ 11353000	Shri Krishna Devcon Ltd Mr. Vijay Godwani Mr. Ramesh Godwani Mr. Gagandeep Singh Juneja Mrs. Armeet Kaur Mrs. Simmi Kaur Mrs. Kamna Bajaj	60 8 8 8 6 5 5	M/S Shri Krishna Devcon Ltd Mr.Vijay Godwani Mr.Ramesh Godwani Mr Gagandeep Singh Juneja Mrs.Armeet Kaur Mrs.Simmi Kaur Mrs. Kamna Bajaj	60 8 8 8 6 5 5
Total		100		100
4 M/S Krishna Developers Total Capital as on 31.03.2012 - ₹ 23872518 Previous year ₹ 18068600	Shri Krishna Devcon Ltd Shri Sandeep Jain Shri Sunil Haryani (HUL) Shri Sharad Doshi Shri Ashish Jain	35 2.5 25 25 12.5	Shri Krishna Devcon Ltd Shri Sandeep Jain Shri Sunil Haryani (HUL) Shri Sharad Doshi Shri Ashish Jain	35 2.5 25 25 12.5
Total		100		100

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 12 Non-current Investments (contd.)

#### Note 12.2 Valuation of investment in quoted equity shares

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.

### Note 13 Long-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Security deposits		
Unsecured, considered good	715,500.00	12,515,500.00
<b>Total of long-term loans and advances</b>	<b>715,500.00</b>	<b>12,515,500.00</b>

### Note 14 Other non-current assets

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Fixed deposit with Bank for bank guaranties	2,085,514.24	1,719,985.80
<b>Total of other non-current assets</b>	<b>2,085,514.24</b>	<b>1,719,985.80</b>

### Note 15 Inventories

(As certified by management)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Trading stock (Flats)	824,462.00	824,462.00
(b) Work-in-progress (Projects Under Development)	709,036,167.00	268,156,744.00
(c) Finished goods (other than those acquired for trading) (Complete Units of the Projects)	20,392,799.00	-
<b>Total of inventories</b>	<b>730,253,428.00</b>	<b>268,981,206.00</b>

### Note 16 Trade Receivables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>Unsecured, considered good</b>		
Trade receivables outstanding for a period not exceeding six months from the date they were due for payment	2,275,380.00	1,313,853.00
Other	-	-
<b>Total of trade receivables</b>	<b>2,275,380.00</b>	<b>1,313,853.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 17 Cash and Cash Equivalents

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Cash on hand	3,843,342.00	248,075.00
(b) Balances with banks		
Current accounts	27,600,838.53	4,701,995.23
Fixed deposits	2,085,514.24	1,719,985.80
<b>Total</b>	<b>33,529,694.77</b>	<b>6,670,056.03</b>
Less: Amount disclosed under non-current assets	2,085,514.24	1,719,985.80
<b>Total of Cash and cash equivalents</b>	<b>31,444,180.53</b>	<b>4,950,070.23</b>

### Note 18 Short-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>Unsecured, considered good</b>		
(a) Loans and advances to related parties (Refer Note 18.1 below)	1,020,000.00	2,000,000.00
(b) Security deposits	4,691,489.00	-
(c) Balances with government authorities	-	160,988.00
(d) Advance for land	24,179,966.00	26,715,000.00
(d) Other loans and advances	6,225,935.00	6,181,685.00
<b>Total of Short-term loans and advances</b>	<b>36,117,390.00</b>	<b>35,057,673.00</b>

#### Note 18.1 Short-term loans and advances include amounts due from:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Private companies in which any director is a director or member	1,020,000.00	2,000,000.00

### Note 19 Revenue from Operations

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Sales of products		
Income from property & Infrastructure development	104,187,225.00	103,822,759.00
(b) Other operating revenues		
Rental income	108,000.00	270,000.00
<b>Total of revenue from operations</b>	<b>104,295,225.00</b>	<b>104,092,759.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 20 Other Income

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Interest income	4,368,974.44	2,614,554.91
(b) Share of Profit From Partnership Firms	2,310,754.25	222,699.00
<b>Total</b>	<b>6,679,728.69</b>	<b>2,837,253.91</b>

### Note 20.1 Details of interest income

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
<b>Interest income comprises:</b>		
Interest from banks on deposits	128,366.44	124,872.91
Interest income from long term investments in partnership firms	4,237,156.00	2,396,712.00
Other interest	3,452.00	92,970.00
<b>Total - Interest income</b>	<b>4,368,974.44</b>	<b>2,614,554.91</b>

### Note 21.a Land, Materials & Services Cost

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Cost of land, Materials & Services during the year	529,850,434.00	260,374,424.00
<b>Total of Land, Materials &amp; Services Cost</b>	<b>529,850,434.00</b>	<b>260,374,424.00</b>

### Note 21.b Purchase of trading goods

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Cost of Land	18,610,551.00	-
<b>Total</b>	<b>18,610,551.00</b>	<b>-</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 21.c Changes in inventories of finished goods, work-in-progress and Trading Stock

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
<b>Inventories at the end of the year:</b>		
Complete units/Finished goods	20,392,799.00	-
Work-in-progress	709,036,167.00	268,156,744.00
Trading stock	824,462.00	824,462.00
	<u>730,253,428.00</u>	<u>268,981,206.00</u>
<b>Inventories at the beginning of the year:</b>		
Complete units/Finished goods	-	-
Work-in-progress	268,156,744.00	100,115,655.00
Trading stock	824,462.00	824,462.00
	<u>268,981,206.00</u>	<u>100,940,117.00</u>
<b>Net (increase) / decrease</b>	<b>(461,272,222.00)</b>	<b>(168,041,089.00)</b>

### Note 22 Employee benefits expense

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Salaries and wages	2,459,444.00	1,461,600.00
<b>Total of employee benefits expense</b>	<b>2,459,444.00</b>	<b>1,461,600.00</b>

### Note 23 Finance Costs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Interest expense on:		
(i) Borrowings	5,822,788.22	1,322,615.86
(ii) Trade payables	388,052.70	307,807.86
(iii) Others		
- Interest on delayed payment of VAT	52,433.00	99,001.00
- Interest on delayed payment of Service tax	151,746.00	-
- Interest on delayed payment of Income Tax	169,110.00	-
(b) Other borrowing costs - bank charges	148,087.00	56,431.40
<b>Total</b>	<b>6,732,216.92</b>	<b>1,785,856.12</b>
Less:		
Borrowing cost Inventorised	3,881,261.00	735,355.00
<b>Total of finance cost</b>	<b>2,850,955.92</b>	<b>1,050,501.12</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 24 Other expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Electricity expenses	105,858.00	77,081.00
Office rent	621,200.00	665,600.00
Vehicle running and maintenance	140,853.00	108,497.00
Insurance	15,403.00	28,059.00
Rates and taxes	13,624.00	2,500.00
Telephone expense	257,268.70	86,981.45
Travelling and conveyance	80,000.00	13,505.00
Printing and stationery	177,545.00	187,403.00
Advertisement & publicity	1,340,898.00	365,114.00
Office expenses	338,786.00	180,468.00
Payments to auditors (Refer Note 24.1 below)	150,000.00	150,000.00
Legal and professional	1,049,246.00	164,348.00
Postage and courier expenses	29,282.00	-
Loss on fixed assets sold	8,030.00	-
Internet charges	-	5,566.00
Fees & Subscription	72,010.00	49,635.00
Miscellaneous expenses	210,371.00	11,531.00
<b>Total of other expenses</b>	<b>4,610,374.70</b>	<b>2,096,288.45</b>

### Note 24.1 Details of payment to auditor

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Payments to the auditors comprises		
For statutory audit	125,000.00	125,000.00
For tax audit	25,000.00	25,000.00
For other services	450,000.00	450,000.00
<b>Total of payment to auditor</b>	<b>600,000.00</b>	<b>600,000.00</b>

### Note 25 Basic & Diluted Earnings per Share

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Net profit / (loss) after tax for the year	9,458,959.04	7,120,546.34
Equity shares outstanding as at the year end	28,000,000	16,000,000
Weighted average number of shares	19,540,984	8,750,333
Nominal value per share ₹	10	10
<b>Earnings per share ₹ (Basic &amp; diluted)</b>	<b>0.48</b>	<b>0.81</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 26 Deferred Tax Liability / (Asset)

Particulars	Charged/(Credit) in P&L account for current year	As At 31 March, 2012	As At 31 March, 2011
	₹	₹	₹
A. Deferred tax (Assets)	Nil	Nil	Nil
B. Deferred tax Liabilities:			
On difference between book balance and tax balance of fixed assets	243,622.81	369,770.81	126148.00
<b>Net (DTA)/DTL (B-A)</b>	<b>243,622.81</b>	<b>369,770.81</b>	<b>126148.00</b>

### Note 27 Contingent liabilities (to the extent not provided for)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Guarantees issued by Bank	4,500,000.00	4,250,000.00

### Note 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under “The Micro, Small and Medium Enterprises Development Act, 2006” as at March 31, 2012.

### Note 29 Additional Statutory information to the financial statements

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Value of imports on CIF basis	Nil	Nil
Expenditure in foreign currency	Nil	Nil
Earnings in foreign exchange	Nil	Nil

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 30 Disclosures under Accounting Standards 18

#### Details of related parties:

Description of relationship	Names of related parties
<b>Key Management Personnel (KMP)</b>	Mr. Sunil Kumar Jain, Managing Director of the Company Mr. Mukesh Kumar Jain, Director of the Company Mr. Naveen Kumar Jain, Director of the Company
<b>Relatives of KMP</b>	Mrs. Manorama Jain, Mother of Sunil Kumar Jain, Mukesh Kumar Jain and Naveen Kumar Jain Mr. Keshrimal Jain, Father of Sunil Kumar Jain, Mukesh Kumar Jain and Naveen Kumar Jain Mrs. Anjana Jain, wife of Mr. Sunil Kumar Jain Mrs. Sangeeta Jain, wife of Mr. Mukesh Kumar Jain Mrs. Surabhi Jain, wife of Mr. Naveen Kumar Jain
<b>Entities in which KMP / Relatives of KMP can exercise significant influence</b>	Shree Vrajraj Developers Pvt. Ltd. Shreedhar Developers Pvt.Ltd. SKDL Developers Pvt.Ltd. CSM Developers Pvt. Ltd. M/S Maa Shipra Enterprises M/S Shree Krishna Developers M/S Shree Krishna Buildcon M/S Krishna Developers M/S Avani Buildcon M/s Shri Krishna Mewad Devcon

Note: Related parties have been identified by the Management.

#### Details of related party transactions for the year ended March 31, 2012 and balances outstanding as at March 31, 2012:

Nature of the Transactions	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b>Directors Remuneration</b>				
- Mr. Sunil Kumar Jain	1,050,000.00 (300,000.00)			1,050,000.00 (300,000.00)
- Mr. Mukesh Kumar Jain	150,000.00 (300,000.00)			150,000.00 (300,000.00)
- Mr. Naveen Kumar Jain	150,000.00 (300,000.00)			150,000.00 (300,000.00)
<b>Short term Borrowing</b>				
- SKDL Developers Pvt Ltd			- (7,300,000.00)	- (7,300,000.00)
- CSM Developers Pvt Ltd			3,160,000.00 (6,000,000.00)	3,160,000.00 (6,000,000.00)
- Shreedhar Developers Pvt. Ltd.			13,000,000.00 -	13,000,000.00 -
- Mr. Sunil Kumar Jain	5,860,221.00 (1,800,000.00)			5,860,221.00 (1,800,000.00)
- Mr. Mukesh Kumar Jain	6,000,000.00 -			6,000,000.00 -
- Mr. Naveen Kumar Jain	3,719,235.00 (160,000.00)			3,719,235.00 (160,000.00)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2012**
**Note 30 Disclosures under Accounting Standards 18 (count.)**

Nature of the Transactions	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b>Short term borrowing outstanding at the year end</b>				
- Mr. Sunil Kumar Jain	7,188,646.00 (1,328,425.00)			7,188,646.00 (1,328,425.00)
- Mr. Mukesh Kumar Jain	7,147,200.00 (1,147,200.00)			7,147,200.00 (1,147,200.00)
- Mr. Naveen Kumar Jain	9,105,435.00 (5,386,200.00)			9,105,435.00 (5,386,200.00)
- CSM Developers Pvt Ltd			9,310,000.00 (6,150,000.00)	9,310,000.00 (6,150,000.00)
- Shreedhar Developers Pvt. Ltd.			13,000,000.00	13,000,000.00
- SKDL Developers Pvt Ltd			7,300,000.00 (7,300,000.00)	7,300,000.00 (7,300,000.00)
<b>Interest Paid</b>				
- SKDL Developers Pvt Ltd			657,000.00 -	657,000.00 -
<b>Land Purchase</b>				
- Shree Vrajraj Developers Pvt. Ltd.			630,000.00 (2,100,000.00)	630,000.00 (2,100,000.00)
<b>Profit From Share in Partnership Firms</b>				
- M/s Krishna Developers			2,310,754.00 (627,760.00)	2,310,754.00 (627,760.00)
<b>Loss From Share in Partnership Firms</b>				
M/s Shri Krishna Mewad Devcon			- (405,061.00)	- (405,061.00)
<b>Interest From Partnership Firms</b>				
- M/s Krishna Developers			538,141.00 -	538,141.00 -
- M/S Avani Buildcon			3,699,015.00 (2,396,712.00)	3,699,015.00 (2,396,712.00)
<b>Advance for Land Purchase</b>				
- Shree Vrajraj Developers Pvt. Ltd.			1,020,000.00 -	1,020,000.00 -

Note: Figures in bracket relates to the previous year

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2012**

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**Note 31**

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.

**Note 32**

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.

**Note 33**

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

**Note 34 Previous year's figures**

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Signature to notes to financial statements**

As Per our Report of even date attached  
For **Khandelwal & Khandelwal Associates**  
Chartered Accountants  
Firm Registration No. 008389C

**(CA Durgesh Khandelwal)**

Partner

M.No. 077390

Place : Indore

Date : 30.05.2012

For and on behalf of the Board of Directors

**Sunil Kumar Jain**  
Managing Director

**Mukesh Kumar Jain**  
Director

**Surbhi Goyal**  
Company Secretary

# SHRI KRISHNA DEVCON LIMITED

Regd. Off.: Umerji House, 202, 2<sup>nd</sup> Floor, Teli Gally, Andheri (East),  
Mumbai - 400 069. (Maharashtra)

## 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 attends instead of the Member) (Surname) (First Name) (Middle Name)

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

I / We hereby record my / our presence at the 18<sup>th</sup> Annual General Meeting of the Company held on Thursday, 20<sup>th</sup> September, 2012 at 11.30 A.M. at Hotel The Mirador, New Link Road, Chakala, Andheri (E), Mumbai-400 099.

Signature of the Member/Proxy\*

\*Strike out whichever is not applicable

# SHRI KRISHNA DEVCON LIMITED

Regd. Off.: Umerji House, 202, 2<sup>nd</sup> Floor, Teli Gally, Andheri (East),  
Mumbai - 400 069. (Maharashtra)

## 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 18<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Thursday, 20<sup>th</sup> September, 2012 at 11.30 A.M. at Hotel The Mirador, New Link Road, Chakala, Andheri (E), Mumbai-400 099 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_

Affix a  
₹ 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.