



EPSOM PROPERTIES LIMITED

**Annual Report
2011 - 2012**

Regency House,
No.2A, Second Floor, 250/7, Anna Salai,
Teynampet, Chennai - 600 006.

EPSOM PROPERTIES LIMITED

ANNUAL REPORT 2011 - 2012

| | | |
|---------------------------|--|---|
| Board of Directors | Dr C Sivakumar Reddy Dr Mohan Swami Mrs Gomathi A Vaidyanathan Mr K Bhakthavatsala Reddy Mr T S Raju | Managing Director Director Director Director Director |
|---------------------------|--|---|

| | |
|--------------------------|----------------|
| Company Secretary | K V Narasimhan |
|--------------------------|----------------|

| | |
|-----------------|--|
| Auditors | M/s. S Vishnu & Co, Chartered Accountants, No.16/23, Shenoy Road, Nungambakkam, Chennai 600 034 |
|-----------------|--|

| | |
|----------------|--|
| Bankers | Axis Bank Limited IDBI Bank Limited |
|----------------|--|

| | |
|---|--|
| Registrars and Share Transfer Agents | Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai 600 002 Tel : 044 2846 0390 Fax: 044 2846 0129 Email : cameo@cameoindia.com |
|---|--|

| | |
|--------------------------|--|
| Registered Office | Regency House, 2A, Second Floor, 250/7, Anna Salai, Teynampet, Chennai 600 006 Tel : 044 2435 0676 Email : epsomproperties@gmail.com |
|--------------------------|--|

EPSOM PROPERTIES LIMITED

NOTICE CONVENING TWENTY FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on Tuesday, the 10th July 2012 at 11.00 a.m. at South India Hire Purchase Association, Nahar Hall, Desabandhu Plaza, 1st Floor, 47, Whites Road, Royapettah, Chennai 600 014 to transact the following business :-

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2012 and the Balance Sheet as at that date together with the Report of Board of Directors and the Auditors thereon.
02. To appoint a Director in place of Dr C Sivakumar Reddy who retires by rotation and being eligible offers himself for re-appointment.
03. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix up their remuneration. The retiring Auditors M/s. S Vishnu & Co, Chartered Accountants are eligible for re-appointment.

By order of the Board of Directors
For **EPSOM PROPERTIES LIMITED**

(K V NARASIMHAN)
COMPANY SECRETARY

Registered Office
Regency House,
2A, Second Floor,
250/7, Anna Salai,
Teynampet,
CHENNAI 600 006

Dated : 30th April 2012

NOTES :-

- 01. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
02. The proxy form duly filled-in and signed by the Shareholder must be lodged with the Company at the Registered Office of the Company at any time not less than 48 hours before the meeting.
03. The Register of Members and Share Transfer Books of the Company will remain closed from 01/07/2012 to 10/07/2012 (both days inclusive).
04. Members are requested to communicate their change of address, if any, quoting their respective folios.
05. Members holding shares in dematerialized form are requested to intimate any change in address to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Cameo Corporate Services Limited, 'Subramanian Building' No.1, Club House Road, Chennai 600 002.

EPSOM PROPERTIES LIMITED

Details of Directors seeking re-appointment at the Annual General Meeting

| S.No. | Particulars | DR C SIVAKUMAR REDDY |
|-------|--|---|
| 01. | Date of Birth | 12/08/1952 |
| 02. | Date of Appointment | 17/06/2005 |
| 03. | Qualifications | M.B.B.S,with Post Graduation in Ophthalmology at Manipal Mysore University. |
| 04. | Expertise in specific functional area | Wide exposure in mining activities. Rich experience in acquiring number of Granites, exporting material to various countries like Taiwan, Italy, Germany and mining and trading of Granites. Also involved in real estate ventures in and around Bangalore. |
| 05. | Directorships held in other Public Companies (excluding foreign companies) | NIL |
| 06. | Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders/Investors Grievance Committee) | NIL |
| 07. | Number of shares held in the Company | NIL |

EPSOM PROPERTIES LIMITED

Directors' Report

To the Members

Your Directors present herewith the Twenty Fifth Annual Report on the Annual Accounts for the year ended 31st March 2012.

01. Financial Results

The summarized financial results are given below .

| S.No. | Description | For the year ended 31 st March 2012 (Rs. in Lakhs) | For the year ended 31 st March 2011 (Rs. in Lakhs) |
|-------|---|---|---|
| 01. | Total Income | 10.27 | 6.14 |
| 02. | Total Expenditure | 15.29 | 20.11 |
| 03. | Profit/(Loss) before Interest & Depreciation | (5.02) | (13.97) |
| 04. | Interest | Nil | Nil |
| 05. | Profit/(Loss) before Depreciation | (5.02) | (13.97) |
| 06. | Depreciation | 0.01 | Nil |
| 07. | Profit/(Loss) before Taxation | (5.03) | (13.97) |
| 08. | Provision for Taxation | Nil | Nil |
| 09. | Profit/(Loss) after taxation | (5.03) | (13.97) |

02. Dividend

In view of loss, your Directors do not propose any dividend for the year ended 31st March 2012.

03. Operations

The total income for the financial year ending on 31/03/2012 stands Rs. 10.27 lakhs as against Rs.6.14 lakhs for the financial year ending on 31/03/2011 thereby recording an increase of 67.26% over the previous financial year; that the total expenditure has declined from Rs. 20.11 lakhs for the financial year ending on 31/03/2011 to Rs. 15.29 lakhs for the financial year ending on 31/03/2012 thereby registering a decrease of 23.97% over the previous financial year and that the net loss of the Company has come down to Rs. 5.03 lakhs for the financial year ending on 31/03/2012 from Rs. 13.97 lakhs in the previous financial year ending on 31/03/2011 thereby registering a decrease of 63.99% over the previous financial year.

04. Outlook

The Outlook for the Company looks bright.

05. Deployment of proceeds of preferential issue :-

The Company has kept the funds received from the promoters through preferential issue in fixed deposit with the IDBI Bank Limited and would be deployed solely for long term and short term working capital requirements.

06. Opportunities, challenges, risks and concerns

The Company is in the process of strengthening the risk management framework and taking cost control and cost reduction measures to mitigate any adverse impact on the operations.

Hardening of interest rates, fierce competition, fluctuating foreign currency are challenges thrown open to the industry.

Nevertheless, the Directors are confident of converting the challenges into opportunities with the experience gained over a period of time.

Unfavourable factors such as economic slow down, inflationary pressure and spiralling of input cost and other external factors can affect the productivity of the Company.

07. Fixed Deposits

The Company has not accepted any deposits from the public during the year under report.

08. Industrial Relations

The industrial relations of the Company have been cordial.

09. Particulars of Employees

There are no employees who were in receipt of the remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the year under review and hence annexure required under the said Section is not attached.

10. Retirement of Directors by rotation

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr C Sivakumar Reddy, Managing Director is liable to retire by rotation and being eligible, he offers himself for re-appointment.

11. Directors Responsibility Statement

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

- a) That in the preparation of accounts for the accounting period ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 year and the Loss of the Company for the year under review;

- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the Directors have prepared the accounts for the year ended 31st March 2012 on a 'going concern' basis.

12. Corporate Governance

The Company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreement with the Stock Exchanges where the Company's shares are listed. A report on the Corporate Governance in this regard is made a part of this Annual Report and a Certificate from the Auditors of the Company regarding compliance of the conditions of the Corporate Governance is attached to this report.

13. Auditors

M/s. S Vishnu & Co, Chartered Accountants, the Statutory Auditors of the Company are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

14. Conservation of energy, technology absorption and adaptation and foreign exchange earnings and outgo

The particulars relating to conservation of energy, technology absorption and adaptation and foreign exchange earnings and outgo during the year under review are NIL.

15. Acknowledgement

The Board of Directors wishes to express its sincere appreciation to the Government Departments, shareholders, business associates and employees for their continued support.

By order of the Board
For **EPSOM PROPERTIES LIMITED**

DR MOHAN SWAMI
DIRECTOR

Registered Office
Regency House, 2A, Second Floor,
250/7, Anna Salai, Teynampet,
CHENNAI 600 006

Dated : 30th April 2012

EPSOM PROPERTIES LIMITED

REPORT ON CORPORATE GOVERNANCE

01. Company's philosophy on Code of Governance

The Company believes that good corporate governance practices should be enshrined in all the activities of the Company which would ensure efficient conduct of the affairs of the Company and help the Company in achieving its goal of maximizing value for all its stakeholders.

02. Board of Directors

- i) The number of independent Directors is more than the one-third of the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered with the Stock Exchanges.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the Companies in which he is a Director. Necessary disclosure regarding Committee Positions in other public companies as at March 31, 2012 have been made by the Directors.
- iii) The name and categories of the Directors, on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies and of companies incorporated outside India. Chairmanship/membership of Board Committees include only Audit and Shareholder/Investor Grievance Committees.

| Name of the Director | Category | No. of Directorships held in other Companies | No. of Committees/ Memberships held in other Companies |
|-------------------------------|----------------------------------|--|--|
| Dr Mohan Swami | Non-Independent Non Executive | Nil | Nil |
| Dr C Sivakumar . Reddy | Non-Independent Executive | Nil | Nil |
| Mrs Gomathi A Vaidyanathan | Independent Non-Executive | Nil | Nil |
| Mr K Bhakthavatsala Reddy | Independent Non-Executive | Nil | Nil |
| Mr T S Raju | Non-Executive | Nil | Nil |

03. Attendance of Directors at Board Meetings and Annual General Meeting

6 (Six) Board Meetings were held during the year on 30th April 2011, 18th June 2011, 30th July 2011, 31st October 2011, 12th January 2012 and 31st January 2012.

| Name of the Director | No. of Board Meetings held | No. of meetings attended | Last AGM |
|----------------------------|----------------------------|--------------------------|----------|
| Dr Mohan Swami | 6 | Nil | No |
| Dr C Sivakumar Reddy | 6 | 6 | Yes |
| Mrs Gomathi A Vaidyanathan | 6 | Nil | No |
| Mr K Bhakthavatsala Reddy | 6 | 6 | Yes |
| Mr T S Raju | 6 | 6 | Yes |

04. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

a) Composition, Name of Members and Chairperson, Meetings and attendance during the year

During the year under review, four meetings were held on 30th April 2011, 30th July 2011, 31st October 2011 and 31st January 2012.

| Name of the Member | Category | No. of meetings held | Attendance |
|-----------------------------|---------------------------|----------------------|------------|
| Mr K Bhakthavatsala Reddy | Independent Non-Executive | 4 | 4 |
| Dr C Sivakumar Reddy | Non Independent Executive | 4 | 4 |
| Mrs Gomathi A. Vaidyanathan | Independent Non-Executive | 4 | Nil |

b) Brief description of terms of reference

- 1) Review of Company's financial statements;
- 2) Review of accounting and financial policies of the Company;
- 3) Review of Internal Control Systems;
- 4) Review of risk management policies and procedures.
- 5) Disclosure of contingent liabilities
- 6) Review of compliances as regards the Company's Whistle Blower Policy

05. Remuneration Committee

The Company has not formed any Remuneration Committee.

Except Mr T S Raju in respect of whom the Company has paid professional fees and rent, the Company has not paid any remuneration including sitting fees to its Directors during the year ended 31st March 2012.

Details of fees/rent paid to Mr T S Raju, Non Executive Director for the year ended March 31, 2012

| Name | Fees paid | Rent paid |
|----------|----------------|----------------|
| T S Raju | Rs. 9.09 Lakhs | Rs. 0.60 Lakhs |

Details of shares of the Company held by Mr T S Raju as on March 31, 2012 are as under.

| Name | No. of shares |
|----------|---------------|
| T S Raju | NIL |

06. Share Transfer cum Investor Relations Committee

The Board of the Company has constituted a Share Transfer cum Investor Relations Committee with Dr C Sivakumar Reddy, Non-independent Executive Director as Chairman with Mrs Gomathi A Vaidyanathan and Mr K Bhakthavatsala Reddy, Independent Non-Executive Directors as other Members.

The Board has designated Mr K V Narasimhan, Company Secretary as Compliance officer.

The Committee looks into the redressal to shareholders complaints like transfer of shares, non-receipt of balance sheet and other investor grievances. The Committee also oversees the performance of Registrars and Share Transfer Agents.

07. General Meetings

a) Annual General Meetings

| Year | Location | Date | Time |
|------|--|------------|------------|
| 2011 | South India Hire Purchase Association, Nahar Hall, Desabandhu Plaza, 1 st Floor, 47, Whites Road, Royapettah, Chennai 600 014 | 18/06/2011 | 11.00 a.m. |
| 2010 | South India Hire Purchase Association, Nahar Hall, Desabandhu Plaza, 1 st Floor, 47, Whites Road, Royapettah, Chennai 600 014 | 19/06/2010 | 11.00 a.m. |
| 2009 | South India Hire Purchase Association, Nahar Hall, Desabandhu Plaza, 1 st Floor, 47, Whites Road, Royapettah, Chennai 600 014 | 31/07/2009 | 11.00 a.m. |

b) Postal Ballot

During the year under report, no resolutions were passed through Postal Ballot.

08. Disclosures

- a) There are no materially related party transactions and pecuniary transactions between the Company and its Directors during the year under review except in the case of Mr T S Raju, Non-Executive Director to whom the Company paid a professional fee of Rs.9.09 lakhs and rent of Rs. 0.60 lakhs during the financial year ended 31st March 2012.
- b) Details of non compliance by Company, penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any authority on any matter related to capital markets during the last three years : NIL
- c) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with Clause 49 of the Listing Agreement with the Stock Exchanges for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee
- d) No different treatment from the Accounting Standards was followed in preparation of the financial statements of the Company.

09. Means of communication

The unaudited quarterly/audited annual results are published in the newspapers viz. Trinity Mirror in English and Makkal Kural in Tamil. The financial results are displayed on www.epsom.in

10. General Shareholder information**a) Annual General Meeting**

| | |
|---------------|--|
| Date and time | 10 th July 2012 at 11.00 a.m. |
| Venue | South India Hire Purchase Association, Nahar Hall, Desabandhu Plaza, 1 st Floor, 47, Whites Road, Royapettah, Chennai 600 014 |

b) Financial Calendar 2012-2013

| | |
|--|-----------------------------------|
| First Quarterly results | Last week of July 2012 |
| Second Quarterly results | Last week of October 2012 |
| Third Quarterly results | Last week of January 2013 |
| Results for quarter/year ended Audited results | Last week of April 2013/June 2013 |

- c) Date of Book Closure 01/07/2012 to 10/07/2012 (Both days inclusive)
- d) Dividend Payment Date Not Applicable

- e) The equity shares of Rs. 10/- each are listed at
- 1) Madras Stock Exchange Limited,
Exchange Building, Post Box No. 183,
New No. 30 (Old No.11), Second Line Beach,
CHENNAI 600 001,
Tamil Nadu, India
Tel 91-44-25228951 Fax 91-44-25244897
 - 2) Bombay Stock Exchange Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
MUMBAI 400 001,
Maharashtra, India
Tel 91-22-22721233, 22721234 Fax 91-22-22722061/41/39/37
- f) The details of high and low market price of the shares on the Bombay Stock Exchange Limited are as under :-

| Month | -Year | High (Rs.) | Low (Rs.) |
|-----------|-------|------------|-----------|
| April | 2011 | 12.90 | 9.46 |
| May | 2011 | 9.84 | 7.78 |
| June | 2011 | 8.90 | 7.62 |
| July | 2011 | 11.00 | 7.62 |
| August | 2011 | 9.78 | 6.60 |
| September | 2011 | 6.80 | 4.76 |
| October | 2011 | 5.39 | 4.77 |
| November | 2011 | 5.76 | 4.80 |
| December | 2011 | 4.97 | 4.25 |
| January | 2012 | 5.23 | 4.47 |
| February | 2012 | 5.15 | 4.09 |
| March | 2012 | 5.00 | 4.15 |

- g) Stock Exchange Security Code and other related information

| | |
|---------------------------------------|-----------------------|
| Madras Stock Exchange Limited | HULTAPHMT |
| Bombay Stock Exchange Limited | 531155 |
| Depository ISIN No. | INE601F01016 |
| Corporate Identification Number (CIN) | L24231TN1987PLC014084 |

h) Distribution of shareholding by size as on March 31, 2012

| Range of Shares | Shareholders | | Share Amount | |
|-----------------|--------------|-----------------|--------------------|-------------------|
| | Numbers | % of Total Nos. | In (Rs.) | % of Total Amount |
| Upto 500 | 2822 | 79.6950 | 71,43,560 | 9.5851 |
| 501 - 1000 | 361 | 10.1949 | 30,44,060 | 4.0845 |
| 1001 - 2000 | 156 | 4.4055 | 25,03,720 | 3.3594 |
| 2001 - 3000 | 73 | 2.0616 | 19,79,490 | 2.6560 |
| 3001 - 4000 | 28 | 0.7907 | 9,83,690 | 1.3199 |
| 4001 - 5000 | 25 | 0.7060 | 11,63,010 | 1.5605 |
| 5001 - 10000 | 37 | 1.0449 | 24,80,120 | 3.3278 |
| Above 10000 | 39 | 1.1014 | 5,52,30,350 | 74.1068 |
| Total | 3541 | 100.0000 | 7,45,28,000 | 100.0000 |

i) Categories of shareholders as on March 31, 2012

| Category | No. of Shares | Percentage |
|---|------------------|---------------|
| Promoters Holdings | 41,95,900 | 56.30 |
| Persons acting in concert | 0 | 0 |
| Mutual Funds | 0 | 0 |
| Financial Institutions & Banks | 0 | 0 |
| Central Government /State Government(s) | 0 | 0 |
| Venture Capital Funds | 0 | 0 |
| Insurance Companies | 0 | 0 |
| Foreign Institutional Investors/ Foreign Venture Capital Investors | 80,000 | 1.07 |
| Corporate Bodies | 1,30,615 | 1.75 |
| Directors and their relatives | 59,120 | 0.79 |
| NRI | 66,966 | 0.90 |
| HUF | 76,601 | 1.03 |
| Indian Public | 28,43,598 | 38.16 |
| Total | 74,52,800 | 100.00 |

j) Shares held in physical and dematerialized form

As on March 31, 2012, 81.76% of shares held in dematerialized form and balance 18.24% in physical form.

k) Outstanding GDRs/ADRs/Warrants or Convertible Instruments

As on March 31, 2012 the Company did not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

l) Registrars and Transfer Agents for physical transfer and Dematerialisation of shares

M/s. Cameo Corporate Services Limited,
'Subramanian Building'
No.1, Club House Road,
Chennai 600 002
Phone No. 044-28460390
Fax No. 044-28460129
Email : cameo@cameoindia.com

Declaration on Code of Conduct

The Board of Directors of Epsom Properties Limited has laid down a code of conduct for all Board Members and the Senior Management of the Company. It is affirmed that all the Board Members and Senior Management Personnel have complied with Code of Conduct as per Clause 49(D)(ii) of the Listing Agreement for the year 2011-2012.

(Dr.C Sivakumar Reddy)
CEO cum Managing Director

Place : Chennai
Date : 30th April 2012

S VISHNU & CO

Chartered Accountants

Flat No.23, Swagatham Apartments, No. 16/23, Shenoy Road, Nungambakkam,
Chennai 600 034 Phone 42137067/42138297, Fax 28235297, E-mail : svishnuandco@gmail.com

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
EPSOM PROPERTIES LIMITED

We have examined compliance conditions of Corporate Governance of Epsom Properties Limited 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 the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March 31, 2012 no investor grievances are unattended/pending for a period exceeding one month against the Company as certified by the Registrars of the Company and details presented to the Share Transfer cum Investor Relations Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency with which the management has conducted the affairs of the Company.

For S VISHNU & CO
Chartered Accountants
FRN : 005179S

(S VISHNU)
Partner
Membership No. 26131

Place : Chennai
Date : 30th April 2012

S VISHNU & CO

Chartered Accountants

Flat No.23, Swagatham Apartments, No. 16/23, Shenoy Road, Nungambakkam,
Chennai 600 034 Phone 42137067/42138297, Fax 28235297, E-mail : svishnuandco@gmail.com

AUDITORS' REPORT

TO THE MEMBERS OF EPSOM PROPERTIES LIMITED

We have audited the attached Balance Sheet of **EPSOM PROPERTIES LIMITED** as at 31st March 2012 and the Profit and Loss Account 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in 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.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) 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 those books;
- iii) The Balance Sheet, the Profit & Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub section 3 (c) of Section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the Directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors

is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 practices generally accepted in India.
- a) In the case of Balance Sheet, the state of affairs of the Company as at 31st March 2012;
 - b) In the case of the Profit & Loss Account, of the Loss for the year ended on that date;
 - c) In the case of the Cash Flow statement, of the Cash Flows for the year ended on that date;

For S VISHNU & CO
Chartered Accountants
FRN : 005179S

(S VISHNU)
Partner
Membership No. 26131

Place : Chennai
Date : 30th April 2012

S VISHNU & CO
Chartered Accountants

Flat No.23, Swagatham Apartments, No. 16/23, Shenoy Road, Nungambakkam,
Chennai 600 034 Phone 42137067/42138297, Fax 28235297, E-mail : svishnuandco@gmail.com

ANNEXURE TO THE AUDITORS' REPORT

(referred to in our report of even date)

We report that :

- i. a. The Company's Fixed Assets comprise of items of furniture & fixtures costing Rs.4,921/- Considering the nature and value of such items, the question of physical verification of the same does not arise.
- b. The Company has not disposed of a substantial part of the fixed assets during the year.
- ii. According to the information and explanations furnished to us, there are no inventories available with the Company. Accordingly, the provisions of clause 4 (ii) of the Order is not applicable.
- iii. a. According to the information and explanations furnished to us, the Company has not granted any loan, secured/unsecured to Companies, firms or other parties whose particulars are recorded in the register maintained under Section 301 of the Companies Act, 1956.
- b. In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us :
 - (i) The Company has taken unsecured loans from its directors amounting to Rs. 0.59 lakhs. The year end balance of such loans was Rs. 29.67 lakhs.
 - (ii) The above loans are interest-free and other terms and conditions of such loans are in our opinion , prima facie not prejudicial to the interests of the Company.
 - (iii) The above loans are repayable on demand.
 - (iv) There is no overdue amount of such loans.
- iv. In our opinion and according to the information and explanations given to us during the course of our audit, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets and for the purchase and sale of goods. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control systems.

- v. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements required to be maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of Clause 4(v)(b) are not applicable to the Company.
- vi. The Company has not accepted any deposits from public and consequently, the directives issued by the Reserve Bank of India, the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, and the rules framed thereunder are not applicable.
- vii. The Company did not have a system of internal audit during the year under review.
- viii. The Central Government has not prescribed maintenance of cost records for any of the activities of the Company under Section 209(1)(d) of the Companies Act, 1956.
- ix.
 - a. According to the information furnished to us, the Company is regular in depositing with appropriate authorities, the undisputed statutory dues including Income Tax, Sales Tax and other material statutory dues applicable to it.
 - b. According to the information and explanations given to us and the records of the Company examined by us there were no undisputed statutory dues in arrears, as at the date of the Balance Sheet under report, for a period of more than six months.
- x. The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of its dues to financial institutions and banks at the date of the Balance Sheet. The Company has not issued any debentures.
- xii. According to the information and explanation given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, the provisions of clause 4(xiii) of the Order is not applicable.
- xiv. According to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order is not applicable.
- xv. According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. The Company has not obtained any term loans. Accordingly, the provisions of clause 4 (xvi) of the order are not applicable.

- xvii. According to the information and explanations given to us and as per the books and records examined by us and on an overall examination of the Balance Sheet & Cash Flow statement of the Company, we report that, *prima facie*, funds raised on short term basis have not been used for long-term investment.
- xviii. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of Clause 4 (xviii) of the order are not applicable.
- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the order are not applicable.
- xx. The Company has not raised any money by way of public issues during the year. Accordingly, the provisions of clause 4 (xx) of the order are not applicable.
- xxi. During the course of our examination of the accounts of the Company in accordance with generally accepted auditing practices, we have not come across any instances of fraud on or by the Company, nor have we been informed by the management, of any such instance being noticed or reported during the year.

**For S VISHNU & CO
Chartered Accountants
FRN : 005179S**

**(S VISHNU)
Partner
Membership No. 26131**

Place : Chennai
Date : 30th April 2012

EPSOM PROPERTIES LIMITED
BALANCE SHEET AS AT 31st March 2012

(In Rupees)

| PARTICULARS | NOTE No. | As at 31st March 2012 | As at 31st March 2011 |
|---|----------|-----------------------|-----------------------|
| I. EQUITY AND LIABILITIES: | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 74,528,000.00 | 74,528,000.00 |
| (b) Reserves & Surplus | 2 | (63,797,839.44) | (63,294,352.85) |
| (c) Money received against share warrants | | - | - |
| (2) Share application money pending allotment | | - | - |
| (3) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 2,967,032.35 | 2,908,032.35 |
| (b) Deferred tax liabilities (Net) | | - | - |
| (c) Other Long term liabilities | 4 | - | - |
| (d) Long term provisions | 5 | - | - |
| (4) Current Liabilities | | | |
| (a) Short-term borrowings | 6 | - | - |
| (b) Trade payables | | - | - |
| (c) Other current liabilities | 7 | 212,693.89 | 211,543.89 |
| (d) Short-term provisions | 8 | - | - |
| TOTAL | | 13,909,886.80 | 14,353,223.39 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 4,921.00 | 6,009.00 |
| (ii) Intangible assets | 10 | - | - |
| (iii) Capital work-in-progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 11 | 334,100.00 | 334,100.00 |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long term loans and advances | 12 | 1,444,855.50 | 1,526,276.50 |
| (e) Other non-current assets | 13 | - | - |
| (2) Current assets | | | |
| (a) Current investments | 14 | - | - |
| (b) Inventories | 15 | - | - |
| (c) Trade receivables | 16 | - | - |
| (d) Cash and cash equivalents | 17 | 12,023,453.30 | 12,486,837.89 |
| (e) Short-term loans and advances | 18 | - | - |
| (f) Other current assets | 19 | 102,557.00 | - |
| TOTAL | | 13,909,886.80 | 14,353,223.39 |

The Schedules, Significant Accounting policies & Notes on Accounts form an integral part of this Balance Sheet

Vide our report of even date attached

For EPSOM PROPERTIES LIMITED

For S VISHNU & CO
Chartered Accountants
FRN 005179S

Dr C SIVAKUMAR
REDDY
MANAGING DIRECTOR
Place: Chennai
Date: 30th April 2012

K BHAKTHAVATSALA
REDDY
DIRECTOR

K V NARASIMHAN
COMPANY SECRETARY

S VISHNU
PARTNER
Membership No. 26131

EPSOM PROPERTIES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2012
(In Rupees)

| PARTICULARS | NOTE No. | 2011 - 2012 | 2010 - 2011 |
|---|------------|---------------------|---------------------|
| I. Revenue from operations | 20 | - | - |
| II. Other Income | 21 | 1,026,766.00 | 614,509.91 |
| III. Total Revenue (I + II) | | 1,026,766.00 | 614,509.91 |
| IV. Expenses: | | | |
| Cost of materials consumed | 22 | - | - |
| Purchase of Stock-in-Trade | | - | - |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | | - | - |
| Employee benefit expense | 23 | 169,316.00 | 163,374.00 |
| Manufacturing Expenses | 24 | - | - |
| Selling, Administration & other expenses | 25 | 1,289,232.91 | 1,610,352.57 |
| Financial costs | 26 | 21,563.68 | 16,447.70 |
| Depreciation and amortization expense | 9 & 10 | 1,088.00 | - |
| Other expenses | 27 | 14,121.00 | 221,127.00 |
| Total Expenses | | 1,495,321.59 | 2,011,301.27 |
| V. Profit before exceptional and extraordinary items and tax | (III - IV) | (468,555.59) | (1,396,791.36) |
| VI. Exceptional Items (Profit after adjusting loss on sale of fixed asset) | | - | - |
| VII. Profit before extraordinary items and tax | (V - VI) | (468,555.59) | (1,396,791.36) |
| VIII. Extraordinary Items (prior period expenses) | | 34,931.00 | - |
| IX. Profit before tax (VII - VIII) | | (503,486.59) | (1,396,791.36) |
| X. Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| XI. Profit/(Loss) from the period from continuing operations | (IX-X) | (503,486.59) | (1,396,791.36) |
| XII. Profit/(Loss) from discontinuing operations | | - | - |
| XIII. Tax expense of discontinuing operations | | - | - |
| XIV. Profit/(Loss) from Discontinuing operations | (XII-XIII) | - | - |
| XV. Profit/(Loss) for the period | (XI+XIV) | (503,486.59) | (1,396,791.36) |
| XVI. Earning per equity share: | | | |
| (1) Basic | | (0.07) | (0.19) |
| (2) Diluted | | (0.07) | (0.19) |

The Schedules, Significant Accounting policies & Notes on Accounts form an Integral part of Profit and Loss Account.

Vide our report of even date attached

For EPSOM PROPERTIES LIMITED

For S VISHNU & CO
Chartered Accountants
FRN 905179S

Dr C SIVAKUMAR
REDDY
MANAGING DIRECTOR
Place: Chennai
Date : 30th April 2012

K BHAKTHAVATSALA
REDDY
DIRECTOR

K V NARASIMHAN
COMPANY SECRETARY

S VISHNU
PARTNER
Membership No. 26131

| | AS AT 31st March 2012 | AS AT 31st March 2011 |
|--|-----------------------------|-----------------------------|
| Notes: | | |
| 1. Share Capital: | | |
| a Authorised Share Capital: 15000000 number of Equity shares of Rs. 10 each | 150,000,000.00 | 150,000,000.00 |
| b Issued, Subscribed and Fully Paid up Share Capital: 7452800 number of Equity shares of Rs. 10 each | 74,528,000.00 | 74,528,000.00 |
| c Par Value per Share Rs. | 10.00 | 10.00 |
| d Number of equity shares at the beginning of the year | 7,452,800 | 5,452,800 |
| Add: Rights issue | - | - |
| Bonus issue | - | - |
| Preferential issue | - | 2,000,000 |
| Less: Buy back | - | - |
| Number of equity shares at the end of the year | 7,452,800 | 7,452,800 |
| f % of Shares held by | | |
| Holding company | - | - |
| Ultimate holding company | - | - |
| Subsidiary company | - | - |
| Associates of holding company | - | - |
| Associates of ultimate holding company | - | - |
| g Number of shares held by share holders more 5% of total shares | | |
| Name of the share holder . | 31st March 2012 | 31st March 2011 |
| Dr Mohan Swami | 2,952,879 | 2,952,879 |
| Chase Perdana Sdn Bhd | 1,243,021 | 1,243,021 |
| h Shares reserved for (specify the number of shares and terms) | | |
| | Number of shares | |
| Issue under options : | | |
| Contracts / Commitments | - | - |
| Disinvestments | - | - |
| | Terms | |
| Issue under options : | | |
| Contracts / Commitments | 0 | |
| Disinvestments | 0 | |

I Details during the last 5 years:

- 0 Equity shares of Rs. 0 each allotted as fully paid up in pursuant to contract(s) without payment being received in cash.
- 0 Equity shares of Rs. 0 each allotted as fully paid up by way of bonus shares.
- 0 Equity shares of Rs. 0 each were bought back
- 2000000 Equity shares of Rs. 10 each allotted by preferential issue out of which
- 762979 Equity shares of Rs. 10 each allotted against conversion of unsecured loan into equity.

j Terms of Conversion of Equity(security) convertible into equity / preference

| Date | No of security | Terms | farthest date of conversion |
|----------|----------------|------------------|--------------------------------|
| 06/09/10 | 762979 | Converted at par | to earliest date of conversion |

k

| Particulars | As at 31st March 2012 | As at 31st March 2011 |
|-----------------------------------|--------------------------|--------------------------|
| Amount of Calls unpaid Rs. | 0 | - |
| (i) Calls unpaid by directors Rs. | 0 | - |
| (ii) Calls unpaid by officers Rs. | 0 | - |
| No of shares Forfeited : | 0 | - |
| amount originally paid up : | 0 | - |

| 2. | <u>Reserves and Surplus</u> | AS AT 31st March 2012 | | AS AT 31st March 2011 | |
|----|------------------------------|--------------------------|----------|--------------------------|----------|
| | | Rs. | P. | Rs. | P. |
| a | Capital reserve | | | | |
| | Opening balance | 35960.00 | | 35960.00 | |
| | Add: Addition / (reduction) | 0.00 | | 0.00 | |
| | Closing balance | | 35960.00 | | 35960.00 |
| b | Capital redemption reserve | | | | |
| | Opening balance | 0.00 | | 0.00 | |
| | Add: Addition / (reduction) | 0.00 | | 0.00 | |
| | Closing balance | | 0.00 | | 0.00 |
| c | Security premium reserve | | | | |
| | Opening balance | 0.00 | | 0.00 | |
| | Add: Addition / (reduction) | 0.00 | | 0.00 | |
| | Closing balance | | 0.00 | | 0.00 |
| d | Debenture Redemption reserve | | | | |
| | Opening balance | 0.00 | | 0.00 | |
| | Add: Addition / (reduction) | 0.00 | | 0.00 | |
| | Closing balance | | 0.00 | | 0.00 |

| 2. | <u>Reserves and Surplus</u> | AS AT 31st March 2012 | | AS AT 31st March 2011 | | | |
|----|---|--------------------------|--------------|--------------------------|--------------|--------------|----|
| | | Rs. | P. | Rs. | P. | Rs. | P. |
| e | Revaluation reserve | | | | | | |
| | Opening balance | 136142.00 | | 136142.00 | | | |
| | Add: Addition / (reduction) | 0.00 | | 0.00 | | | |
| | Closing balance | | 136142.00 | | 136142.00 | | |
| f | Share Options Outstanding account | | | | | | |
| | Opening balance | 0.00 | | 0.00 | | | |
| | Add: Addition / (reduction) | 0.00 | | 0.00 | | | |
| | Closing balance | | 0.00 | | 0.00 | | |
| g | General reserve (State Investment subsidy) | | | | | | |
| | Opening balance | 244480.00 | | 244480.00 | | | |
| | Add: transfer from profit & loss account | 0.00 | | 0.00 | | | |
| | Closing balance | | 244480.00 | | 244480.00 | | |
| h | Statutory reserve (Amalgamation) | | | | | | |
| | Opening balance | 0.00 | | 0.00 | | | |
| | Add: transfer from profit & loss account | 0.00 | | 0.00 | | | |
| | Closing balance | | 0.00 | | 0.00 | | |
| i | Surplus from Profit & Loss account | | | | | | |
| | Opening balance | -63710934.85 | | | | -62314143.49 | |
| | Add: Current year surplus | -503486.59 | | -1396791.36 | | | |
| | Less: Transfer to general reserve | 0.00 | | 0.00 | | | |
| | Less: Proposed dividend | 0.00 | | 0.00 | | | |
| | Less: Dividend tax provision | 0.00 | | 0.00 | | | |
| | Closing balance | | -64214421.44 | | -63710934.85 | | |
| | | | -63797839.44 | | -63294352.85 | | |

| 3. | <u>Long Term Borrowings</u> | AS AT | | AS AT | |
|----|--|-----------------|----|-----------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Bonds / Debentures # (rate of interest ***, due for redemption / conversion on ***** - descending order of maturity starting from fartheset redemption / conversion date) | | - | | - |
| b | Term Loans | | | | |
| | (i) From Banks (repayment terms —) | | - | | - |
| | (ii) From other parties (repayment terms —) | | - | | - |
| c | Deferred payment liabilities | | - | | - |
| d | Deposits | | - | | - |
| e | Loans and advances from related parties (the unsecured loan from Directors amounting to Rs. 29.67 lakhs as on 31/03/2012 (Rs.29.08 lakhs as on 31/03/2011) are interest free and there is no continuing default as on balance sheet date in repayment of loan). | 2,967,032.35 | | 2,908,032.35 | |
| f | Long term maturities of finance lease obligations | | - | | - |
| g | other loans and advances (Specify) | | - | | - |
| | | 2,967,032.35 | | 2,908,032.35 | |

***** number of bonds/ debentures which the company has redeemed

and has the power to reissue

Additional Disclosure

For each head for loan the following disclosure has to be made separately

Classify as secured and unsecured

Securities offered for secured borrowings

Loans guaranteed by directors or others

Period and amount of continuing default as on balance sheet date in repayment of loan & interest.

| 4. | <u>Other Long Term Liabilities</u> | AS AT 31st March 2012 | | AS AT 31st March 2011 | |
|----|------------------------------------|--------------------------|----|--------------------------|----|
| | | Rs. | P. | Rs. | P. |
| a. | Trade payables | | 0 | | - |
| b. | Others | | 0 | | - |
| | | | - | | - |

| 5. | <u>Long Term Provisions</u> | AS AT 31st March 2012 | | AS AT 31st March 2011 | |
|----|--|--------------------------|----|--------------------------|----|
| | | Rs. | P. | Rs. | P. |
| a. | Provision for employee benefits others | | 0 | | - |
| b. | Others | | 0 | | - |
| | | | - | | - |

| 6. | <u>Short Term Borrowings</u> | AS AT 31st March 2012 | | AS AT 31st March 2011 | |
|----|---|--------------------------|----|--------------------------|----|
| | | Rs. | P. | Rs. | P. |
| a. | Loans repayable on demand | | | | |
| | from banks | | 0 | | - |
| | from others | | 0 | | - |
| b. | Loans and advances from related parties | | 0 | | - |
| c. | Deposits | | 0 | | - |
| d. | other loans and advances (Specify) | | 0 | | - |
| | | | - | | - |

Additional Disclosure

For each class for borrowing the following disclosure has to be made separately

Classify as secured and unsecured

Securities offered for secured borrowings

Loans guaranteed by directors or others

Period and amount of continuing default as on balance sheet date in repayment of loan & interest.

| 7. | <u>Other Current Liabilities</u> | AS AT | | AS AT | |
|----|--|-----------------|----|-----------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Current maturities of long term debt | - | - | - | - |
| b | Current maturities of Finance lease obligations | - | - | - | - |
| c | Interest accrued but not due on borrowings | - | - | - | - |
| d | Interest accrued and due on borrowings | - | - | - | - |
| e | Income received in advance | - | - | - | - |
| f | Unpaid dividends | - | - | - | - |
| g | Application money received for allotment / due for refund / interest accrued | - | - | - | - |
| h | Unpaid matured deposits and interest accrued thereon | - | - | - | - |
| i | Unpaid matured debentures and interest accrued there on | - | - | - | - |
| j | Other payables (specify) 31/03/2012 31/03/2011 | 212,693.89 | | 211,543.89 | |
| | Audit Fee payable Rs. 61,798.00 60,665.00 | 212,693.89 | | 211,543.89 | |
| | Expenses payable Rs. 1,43,895.89 1,43,895.89 | | | | |
| | Salaries payable Rs. 7,000.00 7,000.00 | | | | |
| | TDS Payable - (17.00) | | | | |
| | Total Rs. 2,12,693.89 2,11,543.89 | | | | |

| 8. | <u>Short Term Provisions</u> | AS AT | | AS AT | |
|----|----------------------------------|-----------------|----|-----------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Provisions for employee benefits | | 0 | | - |
| b | Others (Specify) | | | | |
| | Provision for income tax | | 0 | | - |
| | Provision for Sales tax | | 0 | | - |
| | Provision for fringe benefit | | 0 | | - |
| | Provision for dividend | | 0 | | - |
| | Provision for dividend tax | | 0 | | - |
| | EPAD remittance | | 0 | | - |
| | TDS Collection & remittance | | 0 | | - |
| | Others | | 0 | | - |
| | | | - | | - |

(In Rupees)

| 9. | Tangible Asset | Gross Block | | | | Depreciation | | | | Net Block | |
|----|--------------------------------------|------------------|-----------|-----------|------------------|------------------|--------------|-----------|------------------|------------------|------------------|
| | | As at 01/04/2011 | Additions | Deletions | As at 31/03/2012 | As at 01/04/2011 | For the year | Deletions | Up to 31/03/2012 | As at 31/03/2012 | As at 31/03/2011 |
| a | Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| b | Building | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| c | Plant & Equipments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| d | Furniture & Fixtures | 6009 | 0 | 0 | 6009 | 0 | 1068 | 0 | 1068 | 4921 | 6,009 |
| e | Vehicles | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| f | Office Equipments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| g | Sale of fixed asset | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| | Total | 6,009 | - | - | 6,009 | - | 1,068 | - | 1,068 | 4,921 | 6,009 |
| | Figures for the previous year | 6009 | 0 | 0 | 6009 | 0 | 0 | 0 | 0 | 6009 | 6,009 |

Additional Disclosur

For each class for asset - Assets under lease should be disclosed separately

Increase / decrease due to revaluation along with the date of revaluation - should be shown by way of note from the date of revaluation*

* Though the Revised Scheduel VI requires this data to be given for a period of 5 years from the balance sheet date, the requirement of AS 10 on Fixed Assets would require the disclosure irrespective of the year of revaluation, if the asset is still in use.

(In Rupees)

Epson Properties Limited

| 10. | Tangible Asset | Gross Block | | | | Depreciation | | | | Net Block | |
|-----|---|---------------------|-----------|-----------|---------------------|---------------------|-----------------|-----------|---------------------|---------------------|---------------------|
| | | As at 01/04/2011 | Additions | Deletions | As at 31/03/2012 | As at 31/03/2011 | For the year | Deletions | Up to 31/03/2012 | As at 31/03/2012 | As at 31/03/2011 |
| a | Goodwill | - | - | - | - | - | - | - | - | - | - |
| b | Brands / Trademarks | - | - | - | - | - | - | - | - | - | - |
| c | Computer Software | - | - | - | - | - | - | - | - | - | - |
| d | Mastheads and publishing titles | - | - | - | - | - | - | - | - | - | - |
| e | Mining rights | - | - | - | - | - | - | - | - | - | - |
| f | Copyrights, patents and other intellectual property rights, services & operating rights | - | - | - | - | - | - | - | - | - | - |
| g | Recipes, formulae, models, designs & prototypes | - | - | - | - | - | - | - | - | - | - |
| h | Licenses & franchise | - | - | - | - | - | - | - | - | - | - |
| i | Others (Specify) | - | - | - | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - | - | - | - | - |
| | Figures for the previous year | - | - | - | - | - | - | - | - | - | - |

Additional Disclosure

For each class for asset - Assets under lease should be disclosed separately

Increase / decrease due to revaluation along with the date of revaluation - should be shown by way of note for 5 years from the date of revaluation*

* Note This may be redundant as the AS 26 Intangible Assets prohibits revaluation

| 11. | <u>Non Current Investments</u> | AS AT | | AS AT | |
|------|---|-------------------|----|-------------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| (i) | Trade Investments | | 0 | | - |
| (ii) | Other Investments | | | | |
| | a Investment in property | | 0 | | - |
| | b Investment in equity instruments | | | | |
| | Quoted investments | | | | |
| | In equity shares of Munoth Investments Limited (3,34,100 equity shares of Rs. 10/- each) | 334,100.00 | | 334,100.00 | |
| | c Investment preference shares | | - | | - |
| | d Investment in government or trust securities | | - | | - |
| | e Investment in debentures or bonds | | - | | - |
| | f Investment in Mutual funds | | - | | - |
| | g Investment in partnership firms | | - | | - |
| | h Other non-current investments (specify) | | - | | - |
| | | 334,100.00 | | 334,100.00 | |
| | Aggregate amount of quoted investments | 334,100.00 | | 334,100.00 | |
| | Market value of quoted investments (since the shares are infrequently traded, the shares are valued at Re. 1/- per share) | 334,100.00 | | 334,100.00 | |
| | Aggregate amount of unquoted investments | | - | | - |

Additional Information

Under each class of investment

- a indicate the names of bodies corporate
- b indicate whether they are - subsidiaries/associates / jv / controlled spl purpose entity
- c indicate the nature and extend of investment made (showing separately the partly paid)
- d in case of investment in capital of Partnership firms:
 - 1) Name of the firms
 - 2) Name of all the partners
 - 3) Total capital
 - 4) Share of each partner
- e Investment carried value other than cost should be disclosed separately indicating the basis of valuation
- f Additional disclosure
 - 1 Aggregate value of Quoted investments
 - 2 Market value of the Quoted investments
 - 3 Aggregate value of Unquoted investments
 - 4 Aggregate provision for diminution in value of investments

| 12. | <u>Long Term Loans and Advances</u> | AS AT | | AS AT | |
|-----|---|-----------------|----|-----------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Capital Advance | | - | | - |
| b | Security deposits | 1,000.00 | | 1,000.00 | |
| c | Loans and advances to related parties (provide details) | | - | | - |
| d | Other loans and advances (specify) | 1,443,855.50 | | 1,525,276.50 | |
| | Advance made to supplier of raw materials | 1,444,855.50 | | 1,526,276.50 | |

Additional Information

| | | | |
|---|--|--------------|--------------|
| a | Of the above | | |
| 1 | Secured, considered good | 0 | - |
| 2 | Unsecured, considered good | 1,444,855.50 | 1,526,276.50 |
| 3 | Doubtful | 0 | - |
| b | Allowance for bad & doubtful under each head | 0 | - |
| c | Loans & advances due by | | |
| 1 | Director or other officers of the company | 0 | - |
| 2 | Any of the above jointly / severally along with any other person | 0 | - |
| 3 | Firms / private company in which director is a partner / director / member | 0 | - |

| 13. | <u>Other Non Current Assets</u> | AS AT | | AS AT | |
|-----|--|-----------------|----|-----------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Long term trade receivable (deferred credit terms) | | 0 | | - |
| b | Others (Specify) | | 0 | | - |
| | Deferred revenue expenses | | 0 | | - |
| | | | - | | - |

Additional Information

- a Long term trade receivable shall be classified as
 - 1 Secured, considered good
 - 2 Unsecured, considered good
 - 3 Doubtful
- b Allowance for bad & doubtful under each head
- c Debts due by
 - 1 Director or other officers of the company
 - 2 Any of the above jointly / severally along with any other person
 - 3 Firms / private company in which director is a partner / director / member

| 14. | <u>Current Investments</u> | AS AT | | AS AT | |
|-----|--|-----------------|----|-----------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Investment in equity instruments | | 0 | | 0 |
| b | Investment in preference shares | | 0 | | 0 |
| c | Investment in government or trust securities | | 0 | | 0 |
| d | Investment in debentures or bonds | | 0 | | 0 |
| e | Investment in Mutual funds | | 0 | | 0 |
| f | Investment in partnership firms | | 0 | | 0 |
| g | Other non-current investments (specify) | | 0 | | 0 |
| | | | - | | - |

Additional information

Under each class of investment

- a indicate the names of bodies corporate
- b indicate whether they are - subsidiaries/associates / jv / controlled spl purpose entity
- c indicate the nature and extent to investment made (showing separately the partly paid)
- d in case of investment in capital of Partnership firms:
 - 1) Name of the firms
 - 2) Name of all the partners
 - 3) Total capital
 - 4) Share of each partner
- e Additional disclosure
 - Basis of valuation of individual investments
 - Aggregate value of Quoted investments
 - Market value of the Quoted investments
 - Aggregate value of Unquoted investments
 - Aggregate provision for diminution in value of investments

| 15. | <u>Inventories</u> | AS AT | | AS AT | |
|-----|---|-----------------|----|-----------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Raw materials | | 0 | | - |
| c | Finished goods | | 0 | | - |
| d | Stock in trade (in respect of goods acquired for trading) | | 0 | | - |
| e | Stores & Spares | | 0 | | - |
| f | Loose Tools | | 0 | | - |
| g | Others (Specify) | | 0 | | - |
| | Consumables | | 0 | | - |
| | Packing materials | | 0 | | - |
| | | | - | | - |

Additional information

Under each sub-head of inventories

- a Disclose goods in transit
- b Mode of valuation

| 16. | <u>Trade Receivables</u> | AS AT | | AS AT | |
|-----|--|-----------------|----|-----------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Trade receivables outstanding for more than 6 months * | | 0 | | 0 |
| | others | | 0 | | 0 |
| | | | 0 | | - |
| b | Trade receivables | | | | |
| | 1 Secured, considered good | | 0 | | 0 |
| | 2 Unsecured, considered good | | 0 | | 0 |
| | 3 Doubtful | | 0 | | 0 |
| c | Allowance for bad & doubtful under each head | | | | |
| d | Debts due by | | | | |
| | 1 Director or other officers of the company | | 0 | | 0 |
| | 2 Any of the above jointly / severally along with any other person | | 0 | | 0 |
| | 3 Firms / private company in which director is a partner / director / member | | 0 | | 0 |

(* To be calculated from the due date)

| 17. | Cash and Bank Balances | AS AT | | AS AT | |
|-----|---------------------------------|----------------------|----|----------------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Cash and cash equivalents | | | | |
| | i Balance with banks | | | | |
| | In current account | 50,767.50 | | 434,993.09 | |
| | in current account for | | | | |
| | in deposits | | | | |
| | ii Cash in hand | 2,677.80 | | 514.80 | |
| | iii Cheques, drafts in hand | | | | |
| b | Other Bank Balances: | | | | |
| | in Deposit account* | 11,970,008.00 | | 12,051,330.00 | |
| | in foreign account | | | | |
| | in Fixed deposit & Margin money | | | | |
| c | Others (Specify) | | | | |
| | | 12,023,453.30 | | 12,486,837.89 | |

Note : Kept with IDBI Bank Ltd maturing on 27/09/2012

Additional Information

- a Separate disclosure for earmarked balances with banks (for dividend payment etc)
- b Disclose - Balance held in bank as margin money / security against borrowings / guarantees/other commitments
- c Disclose - repatriation restrictions if any in cash / bank balance
- d Bank deposit with more than 12 months maturity period

| 18. | Short Term Loans and Advances | AS AT 31st March 2012 | | AS AT 31st March 2011 | |
|-----|---|--------------------------|----|--------------------------|----|
| | | Rs. | P. | Rs. | P. |
| a | Loans and advance to related parties (provide details thereof) | | 0 | | - |
| b | Others (specify) | | 0 | | - |
| | | | - | | - |

Additional information

- a Of the above:
 - 1 Secured, considered good
 - 2 Unsecured, considered good
 - 3 Doubtful
- b Allowance for bad & doubtful under each head
- c Loans & advances due by
 - 1 Director or other officers of the company
 - 2 Any of the above jointly / severally along with any other person
 - 3 Firms / private company in which director is a partner / director / member

| 19. | Other Current Assets | AS AT | | AS AT | |
|-----|------------------------------|-------------------|----|-----------------|----|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| | Vat tax input credit | | 0 | | - |
| | Prepaid expenses | | 0 | | - |
| | Service Tax credit (excess) | | 0 | | - |
| | Interest accrued | | 0 | | - |
| | Income tax refund receivable | 102557.00 | | | - |
| | | 102,557.00 | | | - |

All other current assets that do not fit into any other head

| Other Disclosures | | AS AT | | AS AT | |
|-------------------|--|------------------------------|----|------------------------------|-------------------------|
| | | 31st March 2012 | | 31st March 2011 | |
| | | Rs. | P. | Rs. | P. |
| a | Contingent liabilities & Commitments (to the extent not provided for) | | | | |
| | (I) Contingent liabilities | | | | |
| a | Claims against the company not acknowledged as debt | | 0 | | 0 |
| b | Guarantees | | 0 | | 0 |
| c | Other money for which the company is contingently liable | | 0 | | 0 |
| | (II) Commitments | | | | |
| a | Estimated amount of contracts remaining to be executed on capital account and not provided for | | 0 | | 0 |
| b | Uncalled liability on shares and other investments partly paid | | 0 | | 0 |
| c | other commitments (specify) | | 0 | | 0 |
| b | Amount of proposed dividend to | | | | |
| | Equity share holders | (Rs. Per share) 0 | | (Rs. *** Per share) 0 | |
| | Preference share holders | (Rs. *** Per share) 0 | | (Rs. *** Per share) 0 | |
| c | Arrears of fixed cumulative dividends on preference shares | | 0 | | 0 |
| d | Securities issued: | | | | |
| 1 | Amount issued: | | - | | 20,000,000.00 |
| 2 | Purpose of the issue: | | - | | To meet working capital |
| 3 | Amount not utilised for the said purpose: | 11,970,008.00 | | 12,051,330.00 | |
| 4 | Amount as specified in 3 is invested / used in : | Fixed Deposit with IDBI Bank | | Fixed Deposit with IDBI Bank | |

Note : As against preferential issue of 200 lakhs, 76.29 lakhs was issued consequent on conversion of unsecured loan into equity.

- d If in the opinion of the board on realisation of any asset other than Fixed asset and non current investment do not have any realization value in the ordinary course of business at least equal to the amount at which they are stated, the fact should be disclosed.

| 20. | Revenue from Operations | 2011 - 2012 | | | | 2010 - 2011 | | | |
|-----|--------------------------|-------------|----|-----|----|-------------|----|-----|----|
| | | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. |
| a | Sale of Products | | | | | | | | |
| | Export Sales | | 0 | | | - | | | |
| | Domestic Sales | | 0 | | 0 | - | | | - |
| b | Sale of Services | | 0 | | | | | | - |
| c | Other operating revenues | | | | 0 | | | | - |
| | | | | | 0 | | | | - |
| | Less: | | | | 0 | | | | - |
| d | Erase Duty paid | | | | 0 | | | | - |
| | | | | | - | | | | - |

| 21. | Other Income | 2011 - 2012 | | 2010 - 2011 | | | |
|-----|--|-------------|--------------|-------------|------------|-----|----|
| | | Rs. | P. | Rs. | P. | Rs. | P. |
| a | Interest Income | | 1,025,566.00 | | 406,505.00 | | |
| b | Dividend Income | | - | | - | | |
| c | Net gain / (loss) on sale of Investment | | - | | 207,924.91 | | |
| d | Other non operating income | | | | | | |
| | Rent Receipt | | - | | - | | |
| | Other Income | | 1,200.00 | | 80.00 | | |
| | | | 1,026,766.00 | | 614,509.91 | | |

| 22. | <u>Cost of Materials Consumed</u> | 2011 - 2012 | | 2010 - 2011 | |
|-----|-------------------------------------|-------------|----|-------------|----|
| | | Rs. | P. | Rs. | P. |
| | Opening Stock of Raw Materials | | - | | - |
| | Purchases | | - | | - |
| | Less: Closing stock of raw Material | | - | | - |
| | | | - | | - |

| 23. | <u>Salaries & Wages</u> | 2011 - 2012. | | 2010 - 2011 | |
|-----|---------------------------------------|-------------------|----|-------------------|----|
| | | Rs. | P. | Rs. | P. |
| | Salaries & Wages | 165,000.00 | | 159,100.00 | |
| | Overtime Wages | | - | | - |
| | Bonus | 3,250.00 | | 3,500.00 | |
| | Gratuity | | - | | - |
| | Performance Pay | | - | | - |
| | Profit Share | | - | | - |
| | Providend fund & Super annuation fund | | - | | - |
| | Welfare expenses | 1,066.00 | | 774.00 | |
| | | 169,316.00 | | 163,374.00 | |

| 24. | Manufacturing Expenses | 2011-2012 | | 2010-2011 | |
|-----|---|-----------|----|-----------|----|
| | | Rs. | P. | Rs. | P. |
| | Consumption of stores and spare parts.: | | - | | - |
| | Oil | | - | | - |
| | PACKING MATERIALS - WOOD | | - | | - |
| | Stores | | - | | - |
| | Other consumables | | - | | - |
| | Tools, Jigs & fixtures | | - | | - |
| | Power and fuel. | | - | | - |
| | Repairs to buildings. | | - | | - |
| | Repairs to machinery. | | - | | - |
| | Repairs others | | - | | - |
| | Transportation charges | | - | | - |
| | Machining charges paid | | - | | - |
| | Other Factory expenses | | - | | - |
| | | | - | | - |

| 25. | <u>Administrative, Selling and Distribution Expenses</u> | 2011-2012 | | 2010-2011 | |
|-----|--|---------------------|----|---------------------|----|
| | | Rs. | P. | Rs. | P. |
| | <u>Administration expenses</u> | | | | |
| | Rent | 60,000.00 | | 60,000.00 | |
| | Repairs to Vehicles | - | | - | |
| | Insurance | - | | - | |
| | Rates and taxes, excluding, taxes on income. | 128,888.91 | | 181,108.00 | |
| | Electricity* | - | | - | |
| | Meeting expenses | | | 6,060.00 | |
| | Audit Fees | | | | |
| | a) Statutory Auditor | 56,180.00 | | 55,150.00 | |
| | b) Tax Auditor | - | | - | |
| | c) Company law matters | 5,618.00 | | 5,515.00 | |
| | d) Management services | - | | - | |
| | e) Other services | - | | - | |
| | Communication expenses | 20,591.00 | | 16,777.00 | |
| | Postage, Printing & Stationery, Xerox | 63,061.00 | | 75,807.00 | |
| | Sitting fees | - | | - | |
| | Legal & professional charges | 909,534.00 | | 958,755.00 | |
| | Travelling & conveyance expenses | - | | 66,844.68 | |
| | Royalty payments | - | | - | |
| | Expenses payable | | | 143,895.89 | |
| | <u>Selling & Distribution expenses</u> | | | | |
| | After sales service expenses | - | | - | |
| | Commission & discount | - | | - | |
| | Advertisement | 45,360.00 | | 40,440.00 | |
| | | 1,289,232.91 | | 1,610,352.57 | |

| 26. | Financial Expenses | 2011-2012 | | 2010-2011 | |
|-----|---|------------------|----|------------------|----|
| | | Rs. | P. | Rs. | P. |
| a | Interest Expenses | | | | |
| b | Other Borrowing Cost | | - | | - |
| c | Net Loss / (Gain) on foreign currency transaction | | - | | 0 |
| d | Forward cancellation | | - | | - |
| e | Bank charges | 21,563.68 | | 16,447.70 | |
| | | 21,563.68 | | 16,447.70 | |

| 27. | <u>Miscellaneous Expenses</u> | 2011-2012 | | 2010-2011 | |
|-----|---|-----------|----|------------|----|
| | | Rs. | P. | Rs. | P. |
| | Net gain / loss on foreign currency transaction | | - | | - |
| | Bad debts written off | | - | | - |
| | Net Loss / (Gain) on foreign currency transaction | | - | | - |
| | Deferred revenue expenses | | - | | - |
| | Exceptional & Extraordinary items | | - | | - |
| | Miscellaneous expenses | 14,121.00 | | 221,127.00 | |
| | | 14,121.00 | | 221,127.00 | |

Additional Disclosure

2011-2012

2010-2011

a) Value of CIF imports made during the year

Rs. P.

Rs. P.

| | | | |
|---|--------------------------|---|---|
| 1 | Raw Materials | 0 | 0 |
| 2 | Components & Spare parts | 0 | 0 |
| 3 | Capital goods | 0 | 0 |

b) Expenses incurred in foreign currency on

| | | | |
|---|----------------------------------|---|---|
| 1 | Royalty | 0 | 0 |
| 2 | Know-how | 0 | 0 |
| 3 | Professional & Consultation fees | 0 | 0 |
| 4 | Interest | 0 | 0 |
| 5 | Other matters | 0 | 0 |

c) 1 Raw materials consumed

Value and %

| | | |
|------------|---|---|
| Imported | 0 | 0 |
| Indigenous | 0 | 0 |
| Total | 0 | 0 |

2 Spare Parts consumed

| | | |
|------------|---|---|
| Imported | 0 | 0 |
| Indigenous | 0 | 0 |
| Total | 0 | 0 |

3 Components

| | | |
|------------|---|---|
| Imported | 0 | 0 |
| Indigenous | 0 | 0 |
| Total | 0 | 0 |

| d) <u>Amount remitted in Foreign exchange</u> | | 2011 - 2012 | 2010 - 2011 |
|---|---|-------------|-------------|
| 1 | On account of dividend | 0 | 0 |
| 2 | Total number of non - resident share holders | 0 | 0 |
| 3 | Number of shares held by persons mentioned in (2) | 0 | 0 |
| 4 | Year of dividend declared | 0 | 0 |

| e) <u>Earnings in Foreign Exchange</u> | | 2011 - 2012 | 2010 - 2011 |
|--|---|-------------|-------------|
| 1 | Export of goods calculated on FOB Basis | 0 | 0 |
| 2 | Royalty, Know-how, professional & Consultation fees | 0 | 0 |
| 3 | Interest & Dividend income | 0 | 0 |
| 4 | Other income (Specify) | 0 | 0 |

Manufacturing company
(previous years figures mentioned in brackets) In Rupees

| a | Particulars | Consumption |
|---|----------------------|-------------|
| | <u>Raw materials</u> | |
| | Rawmaterial A | 0 |
| | Rawmaterial B | 0 |
| | Others | 0 |
| | Total | 0 |

| b | Particulars | Purchases |
|---|------------------------|-----------|
| | <u>Goods purchased</u> | |
| | Traded item A | 0 |
| | Traded item B | 0 |
| | Others | 0 |
| | Total | 0 |

c

| Particulars | Sale value | Closing Inventory | Opening Inventory |
|---------------------------|------------|-------------------|-------------------|
| Manufactured Goods | | | |
| Finished goods A | 0 | 0 | 0 |
| Finished goods B | 0 | 0 | 0 |
| Others | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |
| Trading Goods | | | |
| Traded item A | 0 | 0 | 0 |
| Traded item B | 0 | 0 | 0 |
| Others | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

d

| Particulars | WIP |
|-------------------------|----------|
| Working progress | |
| Goods A WIP | 0 |
| Goods B WIP | 0 |
| Others | 0 |
| Total | 0 |

e

| Particulars | Value |
|--------------------------|----------|
| Services rendered | |
| Service A | 0 |
| Service B | 0 |
| Others | 0 |
| Total | 0 |

EPSOM PROPERTIES LIMITED
SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting :

The Financial statements are prepared under the historical cost convention in accordance with applicable mandatory accounting standards and relevant provisions of the Companies Act, 1956.

B. Revenue Recognition

Revenue is recognised excepting for significant uncertainty as to its determination or realisation.

C. Fixed Assets

Fixed Assets are stated at cost (historical cost) less accumulated depreciation.

D. Foreign Currency Transactions -

Transactions in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the Balance Sheet date and resultant gain/loss is recognised in the Profit & Loss Account.

E. Taxes on Income

- a. Provision for current tax is made considering various allowances and benefits available to the Company under the Income Tax Act, 1961.
- b. In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred Taxes resulting from time differences between book value and tax profits are accounted for at the current rate of tax to the extent the timing differences are expected to be crystallized. Deferred Tax Assets are recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in the future.

EPSOM PROPERTIES LIMITED

F. Gross Turnover 10.27 Lakhs (Previous Year Rs. 6.14 lakhs)

G. Transactions with Related Parties**Key Management Personnel**

| | |
|----------------------------|-------------------|
| Dr C Sivakumar Reddy | Managing Director |
| Dr Mohan Swami | Director |
| Mrs Gomathi A Vaidyanathan | Director |
| Mr K Bhakthavatsala Reddy | Director |
| Mr T S Raju | Director |

| Related Party | Nature of Transaction | 2011-2012 Rs. Lakhs | 2010-2011 Rs. Lakhs |
|--------------------------|----------------------------------|------------------------|------------------------|
| Key Management Personnel | Professional fees | 9.09 | 8.50 |
| | Rent | 0.60 | 0.60 |
| | Loans taken by the Company (Net) | 0.59 | 9.39 |
| | Total | 10.28 | 18.49 |

Note : Related party relationship as identified by the Company and relied upon by the Auditors.

H. Operating Lease

The Company's significant leasing arrangement is in respect of operating lease for office premises. Future Rentals payable over the next 12 months : Rs.60,000 The aggregate lease rentals for the year amounting to Rs. 60,000/- have been charged to the Profit & Loss Account.

I. Earnings per share

| Particulars | 2011-2012 | 2010-2011 |
|---|-------------|--------------|
| Weighted Average No. of Equity Shares outstanding during the year | 7452800 | 6587047 |
| Net Profit (Loss) available for equity shareholders (Rs.) | (503486.59) | (1396791.36) |
| Nominal value of Equity Shares (Rs.) | 10.00 | 10.00 |
| Basic & Diluted Earnings Per Share (Rs.) | (0.07) | (0.19) |

J. Deferred Tax

The Company following conservatism does not intend to create deferred tax assets for the year under review due to reasonable uncertainty as to the utilization of such deferred tax assets in the foreseeable future.

K. Auditors' Remuneration

| Nature of Transaction | 2011-2012 | 2010-2011 |
|-----------------------|---------------|---------------|
| Statutory Audit | 56,180 | 55,150 |
| Company Law Makers | 5,618 | 5,515 |
| Total | 61,798 | 60,665 |

L. Segment Reporting

As the Company's business activity falls within a single primary business segment viz. Real Estate, Construction and Leasehold and Freehold rights on properties, the disclosure requirements of AS-17 issued by ICAI are not applicable.

- M.** There are no permanent employees eligible for retirement benefits and hence no provision has been made in the accounts for Gratuity, Leave encashment and other retirement benefits.
- N.** Since the investment in the equity shares of quoted investments are infrequently traded the shares are valued at Re. 1/- per share.
- O.** In the opinion of the Management, Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- P.** There are no dues to MSMEs which are required to be disclosed as per Schedule VI of the Companies Act, 1956.
- Q.** Earnings in Foreign Exchange NIL (P.Y NIL)
- R.** Expenditure in Foreign Currency NIL (P.Y. NIL)
- S.** Previous year's figures have been regrouped wherever necessary so as to make them comparable with those of the current year.

Vide our report of even date attached

For EPSOM PROPERTIES LIMITED

Dr C SIVAKUMAR
REDDY
MANAGING DIRECTOR

K BHAKTHAVATSALA
REDDY
DIRECTOR

K V NARASIMHAN
COMPANY SECRETARY

For S VISHNU & CO
Chartered Accountants
(S VISHNU)
PARTNER
FRN 005179S
Membership No.
26131

Place: Chennai

Date : 30th April 2012

EPSOM PROPERTIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2012

| PARTICULARS | 2011 - 2012 | 2010 - 2011 |
|--|-------------|----------------|
| <u>Cash flow from operating activities</u> | Rs. P. | Rs. P. |
| Net profit / (Loss) before taxation | -503,486.59 | -1,396,791.36 |
| Adjustments for : | | |
| Loans & Advances written off | 0 | 0 |
| Depreciation | 1088.00 | 0 |
| Operating profit before working capital changes | -502398.59 | -1396791.36 |
| Increase in Sundry Debtors | 0 | 0 |
| Decrease/(Increase) in loans & advances | -21136.00 | 0 |
| Increase/(Decrease) in liabilities | 1150.00 | 70064.94 |
| Increase/(Decrease) in provisions | 0 | -80.00 |
| Cash generated from operations | -522,384.59 | -1,326,806.42 |
| Income taxes paid | 0 | 0 |
| Cash flow from extraordinary item | -522,384.59 | -1,326,806.42 |
| Net cash from operating activities | -522,384.59 | -1326806.42 |
| <u>Cash flows from investing activities</u> | | |
| Purchase of fixed assets | 0 | 0 |
| Decrease in investments | 81322.00 | 250,700.00 |
| Investments/(Maturity) of Fixed Deposits | 0 | -12,051,330.00 |
| Net cash flow investing activities | 81322.00 | -11,800,630.00 |
| <u>Cash flow from financing activities</u> | | |
| Increase in share capital | 0 | 20,000,000.00 |
| Increase/(Decrease) in unsecured loans | 59000.00 | -6,694,760.30 |
| Net cash used in financing activities | 59000.00 | 13305239.70 |
| Net increase/(decrease) in Cash and Cash Equivalents | -382,062.59 | 177,803.28 |
| Opening Balance of Cash and Cash Equivalents | 435507.89 | 257,704.61 |
| Closing Balance of Cash and Cash Equivalents | 53445.30 | 435,507.89 |

Notes to the Cash Flow Statement

- The Cash Flow Statement has been prepared under the Indirect Method.
- Cash and Cash Equivalents consist of cash on hand and balance with banks. Cash and Cash Equivalents included in the cash flow statement comprise the following Balance Sheet amounts.

Cash on hand
Balances with banks
Cash and Cash equivalents as restated.

| Rs. P. | Rs. P. |
|----------|-----------|
| 2677.80 | 514.80 |
| 50767.50 | 434993.09 |
| 53445.30 | 435507.89 |

Vide our report of even date attached

For EPSOM PROPERTIES LIMITED

For S VISHNU & CO
Chartered Accountants
FRN 005179S

Dr C SIVAKUMAR
REDDY
MANAGING DIRECTOR

K BHAKTHAVATSALA
REDDY
DIRECTOR

K V NARASIMHAN
COMPANY SECRETARY

(S VISHNU)
PARTNER
Membership No.
26131

Place: Chennai
Date : 30th April 2012

EPSOM PROPERTIES LIMITED

ATTENDANCE SLIP

Registered Office : Regency House, 2A, Second Floor,
250/7, Anna Salai, Teynampet, Chennai - 600 006.

Name & Folio No. of the Member attending the meeting _____
Name of the Proxy attending the meeting _____

I hereby record my presence at Twenty Fifth Annual General Meeting of Epsom Properties Limited on Tuesday, the 10th July 2012 at 11.00 a.m. at South India Hire Purchase Association, Nahar Hall, Desabandhu Plaza, 1st Floor, 47, Whites Road, Royapettah, Chennai - 600 014

Signature of the Member / Proxy _____

EPSOM PROPERTIES LIMITED

I/We _____
of _____ being a
Member/Members of the above named Company hereby appoint _____
of _____ or failing him _____
of _____

as my / our proxy to attend and vote for me / us and on my / our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on Tuesday, the 10th July 2012 or at any adjournment thereof.

Signed this _____ day of _____ 2012.

Signature



Folio No. _____ D P ID _____ Client ID _____

- Note :
1. The proxy need not be a Member
 2. The proxy form duly signed and stamped should reach the Company's Registered Office atleast 48 hours before the time scheduled for holding the meeting.
 3. No gifts will be distributed at the Annual General Meeting.